

BOMBARDIER

ANNUAL INFORMATION FORM

For the year ended
December 31, 2019



February 12, 2020

2019

NOTES

- (1) In this Annual Information Form, all monetary amounts are expressed in U.S. dollars, unless otherwise indicated. Certain totals, subtotals and percentages may not agree due to rounding.
- (2) *AVENTRA, Bombardier, Challenger, Challenger 350, CRJ, CRJ550, CRJ700, CRJ900, CRJ1000, CRJ Series, FLEXITY, Global, Global 5500, Global 6500, Global 7000, Global 7500, INNOVIA, INTERFLO, Learjet, MOVIA, TALENT, TRAXX, TWINDEXX and ZEFIRO* are trademarks of Bombardier Inc. or its subsidiaries.
- (3) This Annual Information Form contains references to trademarks of third parties for the purpose of describing Bombardier's competitive environment and the development of its business.
- (4) In this Annual Information Form, the term "Bombardier" means, as required by the context, the Corporation and its subsidiaries on a consolidated basis or the Corporation or one or more of its subsidiaries. The term "Transportation" refers to the Corporation's rail transportation reportable segment, the term "Aviation" refers to the Corporation aviation reportable segment, the term "Business Aircraft" refers to the Corporation's former business aircraft reportable segment, the term "Commercial Aircraft" refers to the Corporation's former commercial aircraft reportable segment and the term "Aerostructures and Engineering Services" refers to the Corporation's former aerostructures and engineering services reportable segment. Following the strategic formation of Bombardier Aviation, Business Aircraft, Commercial Aircraft and Aerostructures and Engineering Services are reported under Aviation since the third quarter of 2019.
- (5) Information is as at December 31, 2019, unless otherwise indicated.

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CORPORATE STRUCTURE

INCORPORATION OF THE ISSUER

Bombardier Inc. (the Corporation or Bombardier) was incorporated by letters patent under the laws of Canada on June 19, 1902 and was continued under the *Canada Business Corporations Act* (the CBCA) by a certificate of continuance dated June 23, 1978, which was subsequently the subject of certain amendments. Over the years, the Corporation has filed articles of amendment in order to, among other things, change the structure of its authorized share capital, including to change the rights, privileges, restrictions and conditions attached thereto, reflect various two-for-one stock splits of the Class A shares (multiple voting) (the Class A shares) and Class B shares (subordinate voting) (the Class B subordinate voting shares), and has filed articles of amalgamation to reflect mergers and amalgamations with, among others, various subsidiaries and affiliates.

The head and registered office of the Corporation is located at 800 René-Lévesque Boulevard West, Montréal, Québec H3B 1Y8, Canada. Its telephone number is + 1 (514) 861 9481 and its website is www.bombardier.com.

SUBSIDIARIES

The activities of the Corporation are conducted either directly or through its subsidiaries. The table below lists the principal subsidiaries of the reportable segments of the Corporation as at December 31, 2019, as well as their jurisdiction of incorporation and the percentage of voting shares held directly or indirectly by the Corporation. Certain subsidiaries whose total assets did not represent more than 10% of the Corporation's consolidated assets or whose revenues did not represent more than 10% of the Corporation's consolidated revenues as at and for the fiscal year ended December 31, 2019⁽¹⁾, have been omitted. The subsidiaries that have been omitted represent, as a group, less than 20% of each of the consolidated assets and the consolidated revenues of the Corporation as at and for the fiscal year ended December 31, 2019.

Aviation	
Bombardier Aerospace Corporation (Delaware)	100%
Bombardier Aerospace Germany GmbH (Germany)	100%
Bombardier Services Corporation (Delaware)	100%
Learjet Inc. (Kansas)	100%
Short Brothers PLC (Northern Ireland)	100%
Transportation	
Bombardier Transit Corporation (Delaware)	70% ⁽²⁾
Bombardier Mass Transit Corporation (Delaware)	70% ⁽²⁾
Bombardier Transportation Australia Pty Ltd. (Australia)	70% ⁽²⁾
Bombardier Transportation Canada Inc. (Canada)	70% ⁽²⁾
Bombardier Transportation India Private Limited (India)	70% ⁽²⁾
Bombardier Transport France S.A.S. (France)	70% ⁽²⁾
Bombardier Transportation (Global Holding) UK Limited (United Kingdom)	70% ⁽²⁾
Bombardier Transportation GmbH (Germany)	70% ⁽²⁾
Bombardier Transportation (Holdings) UK Ltd. (United Kingdom)	70% ⁽²⁾
Bombardier Transportation (Holdings) USA Inc. (Delaware)	70% ⁽²⁾
Bombardier Transportation Austria GmbH (Austria)	70% ⁽²⁾
Bombardier Transportation South Africa (Pty.) Ltd. (South Africa)	70% ⁽²⁾
Bombardier Transportation Italy S.p.A. (Italy)	70% ⁽²⁾
Bombardier Transportation Sweden AB (Sweden)	70% ⁽²⁾
Bombardier Transportation (Switzerland) AG (Switzerland)	70% ⁽²⁾

⁽¹⁾ Based on the Corporation's consolidated financial statements for the fiscal year ended December 31, 2019 filed on SEDAR (www.sedar.com) on February 13, 2020.

(2) For the 12-month period starting on February 12, 2020, Bombardier's percentage of ownership on conversion of Caisse de dépôt et placement du Québec (CDPQ)'s shares will decrease by 2.5%, to 67.5%; and the preference return entitlement rate on liquidation of its shares will increase from 9.5% to 12.0% for this period. Any dividends paid by Bombardier Transportation (Investment) UK Limited (BT Holdco) to its shareholders during this period will be distributed on the basis of each shareholder's percentage of ownership upon conversion, being 67.5% for Bombardier and 32.5% for CDPQ. These adjustments will become effective once the audited consolidated financial statements of BT Holdco are duly approved by its board of directors. See "Note 10 - Non Controlling Interest" of the Corporation's MD&A (as defined below), which Note is incorporated by reference into this Annual Information Form.

GENERAL DEVELOPMENT OF THE BUSINESS

GENERAL

The Corporation is a leading manufacturer of both planes and trains operating under two reportable segments: Aviation and Transportation. The Corporation provides efficient, sustainable and enjoyable transportation solutions. Its products, services, and most of all, its 60,000 dedicated and highly skilled employees are what makes it a global leader in mobility and innovation. As at the date of this Annual Information Form, the Corporation has over 70 production and engineering sites in over 25 countries and a worldwide network of service centers.

HISTORY

The main business developments of the Corporation and its most significant transactions during the past three years are as described below.

On May 16, 2017, Bombardier announced that it reached a long-term partnership agreement with leading IT consulting firm IBM to support the global integration of Information Technology services across Transportation and Aerospace. The new six-year deal valued at approximately \$700 million spans 47 countries and is expected to generate recurring savings, providing a solid foundation to drive efficiency within Bombardier's global IT organization.

On May 18, 2017, Business Aircraft announced the opening of its new service center located at London Biggin Hill Airport with an installed base of more than 600 Bombardier business jets in Europe.

On June 20, 2017, Transportation announced that it signed a contract with FirstGroup and MTR to supply and maintain 750 Bombardier *AVENTRA* vehicles for operation by the South Western franchise in the United Kingdom. This was the largest ever single contract globally for *AVENTRA* trains. The contract was valued at approximately £895 million (then \$1.1 billion). In addition, Bombardier will execute a Technical Services and Spares Supply Agreement (TSSSA) for the duration of the seven year franchise, with an option to extend for 11 periods in line with the existing franchise extension option.

On June 23, 2017, Transportation received an order for 83 Regio 2N train sets from the SNCF on behalf of the Paris public transport authority, the Syndicat des Transports d'Ile-de-France. This order was valued at approximately €867 million (then \$968 million), and included price escalations based on best faith assessment of assumptions.

On June 29, 2017, the management and employee representatives of Transportation announced that they agreed on an outline for the reorientation and safeguarding of the German sites pursuant to which sites would specialize in either the development or production of rail technology over the next two to three years. At the core of this specialization were product innovation, digitalization and the increased use of modern Industry 4.0 processes involving personnel adjustments of up to 2,200 positions, of which 700 temporary positions, that would be made gradually until 2020. On September 25, 2017, Transportation announced that its management and its General Works Council signed a general company agreement valid until the end of 2020, which formalized the cornerstones that were agreed upon and previously announced on June 29, 2017.

On October 16, 2017, Bombardier announced that it would become partners on the C Series aircraft program with Airbus SAS, a wholly-owned subsidiary of Airbus SE (Airbus). A corresponding agreement was signed, pursuant to which Airbus is required to provide procurement, sales and marketing, and customer support expertise to Airbus Canada Limited Partnership (ACLP) (formerly CSALP), the entity that manufactures and sells the C Series. The transaction closed on July 1, 2018 with Airbus owning a 50.01% majority stake in ACLP and Bombardier and Investissement Québec (IQ) (acting as mandatory for the government of Québec) owning approximately 34% and 16% respectively. ACLP's head office, primary assembly line and related functions are based in Mirabel, Québec. Furthermore, Bombardier issued in the name of Airbus SAS warrants exercisable for a total number of 100,000,000 Class B subordinate voting shares, exercisable for a period of five years at an exercise price per share equal to \$1.74, being the U.S. dollar equivalent of \$2.29 Cdn on June 29, 2018. The parties announced that the C Series family of aircraft would be known from then on as the A220 family of aircraft.

On November 27, 2017, Bombardier announced that it successfully closed an offering of \$1,000,000,000 aggregate principal amount of new 7.50% Senior Notes due December 1, 2024, which were sold at par.

On December 1, 2017, Bombardier announced that its Bombardier *INTERFLO* 450 mainline rail control solution received official approval for operation in Sweden.

In addition, on December 1, 2017, Bombardier announced that the *TWINDEXX* Swiss Express for SBB FV-Dosto received its operating permit for the Swiss network from the Federal Department of Transport.

On December 4, 2017, Aerostructures and Engineering Services announced that it was selected by Airbus as a supplier on a new engine nacelle program for the Pratt & Whitney powered A320neo family of aircraft.

On December 12, 2017, Transportation announced having signed a contract with Corelink Rail Infrastructure and West Midlands Trains to supply 333 new Bombardier *AVENTRA* vehicles for use on the United Kingdom's West Midlands Trains franchise, together with a maintenance and support services contract. The rolling stock and maintenance contracts were valued overall at approximately £542 million (then \$724 million).

On December 18, 2017, Transportation, as part of the Rail Systems Alliance, announced the signature of a contract to install the next-generation, high-capacity rail control solution for the A\$11 billion Melbourne Metro Tunnel Project, Victoria's largest ever investment in public transport. Bombardier will deliver the signalling and rail control solution and systems integration. The contract for Bombardier was valued at approximately A\$310 million (then \$238 million).

On December 27, 2017, Bombardier announced that it redeemed all of its outstanding 4.75% Senior Notes due 2019.

On December 29, 2017, Commercial Aircraft announced that a customer, who requested to remain unidentified, signed an order to acquire six *CRJ900* aircraft on firm order and options on six additional *CRJ900* regional jets. Based on 2017 list prices, the firm orders were valued at approximately \$290 million. Should the customer exercise the six options for *CRJ900* aircraft, the contract value would increase to approximately \$580 million.

On March 23, 2018, Bombardier completed a bought deal public offering of Class B subordinate voting shares for gross proceeds of Cdn\$638.4 million. The net proceeds of the offering were used to supplement Bombardier's working capital and for general corporate purposes.

On April 25, 2018, Transportation announced that it had signed a framework agreement with the Brussels Intercommunal Transportation Company to supply up to 175 Bombardier *FLEXITY* trams. The total amount of the framework contract was valued up to approximately €480 million (then \$586 million). The first firm order under this framework contract, also signed on April 24, 2018 was for 60 *FLEXITY* trams and was valued at approximately €169 million (then \$206 million).

On May 3, 2018, Commercial Aircraft announced that it had signed a firm order for 15 new *CRJ900* regional jets with American Airlines, Inc. The purchase agreement also included options on an additional 15 *CRJ900* aircraft. Based on the list price of the *CRJ900* aircraft at the time, the firm order was valued at approximately \$ 719 million.

On May 27, 2018, Business Aircraft unveiled two additions to its business jet fleet: the *Global 5500* and *Global 6500* aircraft, with class-leading ranges of 5,700 and 6,600 nautical miles, respectively, top speeds of Mach 0.90 and Bombardier's smooth ride technology. Further, on May 28, 2018, Business Aircraft announced that the *Global 7000* surpassed commitments during flight testing and would be known from then on as the *Global 7500*.

On June 7, 2018, Bombardier completed the sale of its Downsview, Ontario property to the Public Sector Pension Investment Board (PSP Investments) for approximately \$635 million.

On June 11, 2018, Transportation announced that LAX Integrated Express Solutions (LINXS), of which it is a member with a ten percent share, had finalized a contract with Los Angeles World Airports to design, build, finance, operate and maintain an automated people mover system at Los Angeles International Airport (LAX). LINXS attributed two contracts to joint ventures (JVs): one for the design-build portion and one (of which Bombardier had a 55 percent share) for the operations and maintenance portion. The aggregate value of these contracts for Bombardier, including through its share in LINXS, is approximately \$1.025 billion.

On June 20, 2018, Commercial Aircraft announced that Delta had signed a firm purchase agreement for 20 *CRJ900* aircraft, becoming the launch operator of the new ATMOSPHERE cabin for *CRJ Series* regional jets. Based on the list price for the *CRJ900* aircraft at the time, the firm order was valued at approximately \$961 million.

On July 16, 2018, Business Aircraft announced that Transport Canada (TC) had awarded the *Challenger 350* aircraft its steep approach certification, allowing operators to perform landings under strict conditions, including at the short runway of London City Airport.

On July 26, 2018, Transportation announced that it had signed a contract with Singapore's Land Transport Authority. The contract's scope covered the supply of 396 Bombardier *MOVIA* metro cars for passenger services on the high-capacity North-South and East-West Mass Rapid Transit lines. The contract was valued at approximately SGD827 million (then \$607 million). The contract included an option for long-term service support, and if exercised by SMRT Corporation Ltd, the total contract could be worth up to SGD1.2 billion (then \$881 million).

On September 12, 2018, Transportation presented the new battery-operated, emission-free, energy-efficient and low-noise Bombardier *TALENT 3* electro-hybrid train, the first of its kind to enter into passenger operation in Europe in over 60 years.

On September 28, 2018, Business Aircraft announced that its flagship *Global 7500* aircraft was awarded TC Type Certification. On November 7, 2018, Bombardier announced that the *Global 7500* aircraft received FAA certification and on December 20, 2018, it entered into service. The *Global 7500* received the EASA certification on February 7, 2019.

On September 28, 2018, Bombardier announced that HK Bellawings Jet Limited, a leading aircraft management company based in Hong Kong, had firmed up an order for four *Global 6500* and two *Global 7500* business jets, with options for 12 *Global* aircraft. The transaction for the firm order was valued at approximately \$370 million, based on the 2018 list prices for typically equipped aircraft. The value could increase to \$1.142 billion with all options exercised. On April 14, 2019, Business Aircraft announced that HK Bellawings Jet Limited confirmed that four more *Global 7500* aircraft would be part of the firm purchase of its order of four *Global 6500* and two *Global 7500* made in September 2018, which brought the total of firm aircraft orders to 10. This order was valued to approximately \$291 million, based on the 2019 price list.

On October 3, 2018, Bombardier announced the opening of a new service center at the Miami-Opa Locka Executive Airport in Miami-Dade County, Florida.

On November 8, 2018, Bombardier announced definitive agreements providing for the sale of a number of non-core assets, including (i) the sale of the Q Series aircraft program and de Havilland trademark to a wholly-owned subsidiary of Longview Aviation Capital Corp. (which transaction closed on June 3, 2019); and (ii) the sale of Business Aircraft's flight and technical training activities to CAE and the monetization of royalties (which transaction was completed on March 14, 2019). Net proceeds from these transactions were expected to be approximately \$900 million (after the assumption of certain liabilities, fees, and closing adjustments). Bombardier also launched a new enterprise-wide productivity program to further streamline, lean out and simplify the Corporation, and the launch of a company-wide restructuring initiative focused on optimizing production and management processes, flattening management structures and further reducing indirect costs. Collectively, these actions would result in a reduction of approximately 5,000 positions across the organization over the following 12 to 18 months, expected to lead to annualized savings of approximately \$250 million at full run rate by 2021.

On January 9, 2019, Transportation announced that it had signed a contract for 113 Multilevel III commuter rail cars with the New Jersey Transit Corporation. The contract was valued at \$669 million and included options for up to 886 additional cars.

On February 6, 2019, Bombardier completed the acquisition of the *Global 7500* wing program from Triumph Group Inc. for a nominal cash consideration.

On February 6, 2019, Commercial Aircraft announced the launch of its new *CRJ550* aircraft, the first triple-class 50-seat aircraft in the world.

On March 7, 2019, Bombardier announced that it successfully closed its offering of \$2 billion aggregate principal amount of new Senior Notes due April 15, 2027, which carry a coupon of 7.875% per annum and were sold at 99.2460% of par.

On March 15, 2019 and March 29, 2019, Bombardier announced the purchase of €353,055,000 aggregate principal amount and €12,960,000 aggregate principal amount, in each case of its 6½% Senior Notes due 2021, which represented, in the aggregate, approximately 46.93% of the aggregate principal amount of such 6½% Senior Notes outstanding prior to its previously-announced cash tender offer.

On April 5, 2019, Bombardier announced that it redeemed all of its outstanding 7¾% Senior Notes due 2020.

On March 29, 2019 and April 11, 2019, Bombardier announced the purchase of \$382,148,000 aggregate principal amount and \$313,000 aggregate principal amount, in each case of its 8.750% Senior Notes due 2021, which represents, in the aggregate, approximately 27.32% of the aggregate principal amount of such 8.750% Senior Notes outstanding prior to its previously-announced tender offer.

On May 2, 2019, Bombardier announced that it was consolidating its aerospace assets into a single, streamlined, and fully integrated Bombardier Aviation business unit. As it moved to optimize its global manufacturing footprint, the Corporation also announced that it would pursue the divestiture of the Belfast and Morocco aerostructures businesses. On October 31, 2019, Bombardier announced a definitive agreement to sell its aerostructures activities and aftermarket services operations in Belfast (United Kingdom); Casablanca (Morocco); and its aerostructures maintenance, repair and overhaul (MRO) facility in Dallas (United States) to Spirit AeroSystems Holding, Inc. (Spirit) for a cash consideration of \$500 million and the assumption of liabilities with an estimated total carrying value in excess of \$700 million, including government refundable advances and pension obligations. The transaction follows the formation of Aviation earlier during the year and streamlines Bombardier's aerostructures footprint to focus on core capabilities in Montreal, Mexico and its *Global 7500* wing operations in Texas. The transaction is expected to close by mid-year 2020 and remains subject to regulatory approvals and customary closing conditions.

On May 15, 2019, Bombardier announced the signature of an agreement with JETEX for the establishment of a new Line Maintenance Station in Dubai, further complementing the tip-to-tail maintenance services provided by Bombardier's Service and Support Network in the Middle East and around the globe.

On May 27, 2019, Transportation announced that it had been awarded a contract to supply and operate two monorail lines in Cairo, Egypt with its share valued at \$2.64 billion. This award leverages Transportation's *INNOVIA* monorail platform through an integrated offering of rolling stock and systems, signalling and services solutions. This project re-uses the platform operating in Sao Paulo, Brazil, since 2014 and currently under construction in Bangkok, Thailand and Wuhu, China.

On June 25, 2019, Bombardier and Mitsubishi Heavy Industries, Ltd (MHI) announced they entered into a definitive agreement, whereby MHI will acquire Bombardier's regional jet program for a cash consideration of \$550 million, payable to Bombardier upon closing, and the assumption by MHI of liabilities amounting to approximately \$200 million, at the time of signing. Under the agreement, the Corporation's net beneficial interest in the Regional Aircraft Securitization Program (RASPRO), which was valued at approximately \$180 million, at the time of signing, will be transferred to MHI. Bombardier will also retain certain liabilities representing a portion of the credit and residual value guarantees totalling \$370 million. The transaction is currently expected to close by mid-year 2020 and remains subject to regulatory approvals and customary closing conditions. On January 16, 2020, the Corporation had received most of the regulatory approvals required for closing of the CRJ sale.

On July 2, 2019, Bombardier unveiled the *Learjet 75 Liberty*. The *Learjet 75 Liberty* will be offered at a list price of \$9.9 million, which value proposition represents a new frontier for the *Learjet* brand, with first deliveries expected in 2020.

On September 24, 2019, Bombardier announced that the *Global 5500* and *Global 6500* business jets, were awarded TC Type Certification and on October 15, 2019, Bombardier announced that the *Global 5500* and *Global 6500* business jets received EASA certification and on December 23, 2019 Bombardier announced that they received the FAA certification.

On October 1, 2019, Bombardier announced the entry-into-service of the *Global 6500* business jet.

On December 4, 2019, Bombardier announced that it signed a long-term lease agreement with the Greater Toronto Airports Authority (GTAA) to build its Global Manufacturing Centre located at Toronto Pearson International Airport.

On January 1, 2020, Transportation announced that its Chinese joint venture, Bombardier Sifang (Qingdao) Transportation Ltd. (BST), was awarded a contract from China State Railway Group Co., Ltd. to supply 160 CR400AF cars. The total contract, signed on December 31, 2019, was valued at approximately 2.97 billion CNY (then \$427 million). Transportation owns 50 per cent of the shares in BST, which is consolidated by Transportation's partner CRRC Sifang Rolling Stock Co., Ltd.

On February 12, 2020, the Corporation concluded the sale of its remaining interests in ACLP to Airbus and IQ, supporting the Corporation's strategic decision to focus on its Business Aviation franchise while improving the Corporation's liquidity. With this transaction, the Corporation will receive proceeds of \$591 million from Airbus, net of adjustments, of which \$531 million was paid upon closing. In addition, the Corporation is released from all future funding obligations related to the partnership for 2020 and 2021. The agreement also provides for the cancellation of 100,000,000 Bombardier warrants owned by Airbus. Further to this, the Corporation will transfer aerostructures activities supporting A220 and A330 in St-Laurent, Québec to Airbus subsidiary Stelia Aerospace.

NARRATIVE DESCRIPTION OF THE BUSINESS

BUSINESS OVERVIEW

The Corporation has two reportable segments: Aviation and Transportation. Each reportable segment offers different products and services and mostly requires different technology and marketing strategies.

Aviation

Aviation designs, develops, manufactures, markets and provides aftermarket support for three families of business jets - *Learjet*, *Challenger* and *Global*.

Aviation has also been designing, developing, manufacturing, marketing and providing aftermarket support for the *CRJ* family of regional jets, including the *CRJ550*, *CRJ700*, *CRJ900* and *CRJ1000*. In June 2019, Bombardier entered into a definitive agreement with MHI, pursuant to which MHI will acquire the maintenance, support, refurbishment, marketing, and sales activities for the *CRJ* series aircraft, including the related services and support network located in Montréal, Québec, and Toronto, Ontario, and its service centres located in Bridgeport, West Virginia, and Tucson, Arizona, as well as the type certificates. Following the closing of that transaction, the *CRJ* production facility in Mirabel, Québec will remain with Bombardier and Aviation will continue to supply components and spare parts and will assemble the current *CRJ* backlog on behalf of MHI. *CRJ* production is expected to conclude in the second half of 2020, following the delivery of the current backlog of aircraft. The transaction is currently expected to close mid-year 2020 and remains subject to necessary approvals and customary closing conditions. As of January 16, 2020, the Corporation had received most of the regulatory approvals required for closing of the *CRJ* sale.

Aviation has also been designing, developing and manufacturing complex metallic and advanced composite aircraft structural components for original equipment manufacturers (OEMs), including fuselages, wings and engine nacelles. In October 2019, Bombardier entered into a definitive agreement to sell to Spirit its aerostructures activities and aftermarket services operations in Belfast (United Kingdom); Casablanca (Morocco); and its aerostructures MRO facility in Dallas (United States). The transaction is expected to close mid-year 2020 and remains subject to regulatory approvals and customary closing conditions.

Pending completion of these transactions, the assets and associated liabilities of Aviation's regional jet program and aerostructures business are reported as assets held for sale in the Aviation reportable segment of the Corporation. Accordingly, the description of the Corporation's Aviation reportable segment contained herein assumes the completion of these transactions.

On February 12, 2020, the Corporation concluded the sale of its remaining interests in ACLP to Airbus and IQ, supporting the Corporation's strategic decision to focus on its Business Aviation franchise while improving the Corporation's liquidity. With this transaction, the Corporation will receive proceeds of \$591 million from Airbus, net of adjustments, of which \$531 million was paid upon closing. In addition, the Corporation is released from all future funding obligations related to the partnership for 2020 and 2021. The agreement also provides for the cancellation of 100,000,000 Bombardier warrants owned by Airbus. Further to this, the Corporation will transfer aerostructures activities supporting A220 and A330 in St-Laurent, Québec to Airbus subsidiary Stelia Aerospace.

Transportation

Transportation offers a wide-ranging portfolio of innovative and efficient solutions in the rail industry that cover the full spectrum of rail solutions, ranging from global mobility solutions to a variety of trains and sub-systems, services, system integration and signalling.

The activities of the Corporation's two reportable segments are described in this Annual Information Form under separate headings.

Aviation

For a list of the Corporation's principal subsidiaries that fall within Aviation, see "Item 1 - Corporate Structure, section 1.2 - Subsidiaries".

Aviation has production and engineering sites in Canada (Montréal and Toronto), the United States (Wichita and Red Oak) and Mexico (Querétaro) and an international service and support network in several countries around the world.

The global headquarters of Aviation are located in Dorval, Québec, Canada.

Market Segments

Information about products and services offered by Aviation can be found in the section entitled "Aviation - Profile" of the Corporation's Management's Discussion and Analysis included in its financial report for the fiscal year ended December 31, 2019, which may be viewed on SEDAR at www.sedar.com (the "MD&A"), which section is incorporated by reference herein.

Principal Markets

Aviation's business aircraft customers are located worldwide and are primarily civil owner-operators or aviation service providers. For the financial year ended December 31, 2019, the majority of Aviation's business aircraft revenues were generated in North America. The European market, including Russia and the Commonwealth of Independent States (CIS), was in second position in terms of revenues generated in business aircraft, while the Latin America market captured the third position. Through its Specialized Aircraft group, Aviation also supports the needs of governments and other special mission providers around the world by adapting its class-leading jets to cover a broad range of mission types.

Distribution Methods

Aircraft ordered by customers are delivered by the Corporation or its subsidiaries. All marketing of Aviation products is provided through the Corporation's office in Dorval. Sales of the Corporation's Aviation products are done through various sales offices of the Corporation or its subsidiaries. In the Americas, these offices are located in Dorval, New York City, Dallas and Wichita. For Asia, Africa and the Middle East, such offices are maintained in Dubai, Singapore, Hong Kong and Beijing. Parts are available from two main parts distribution hubs in Chicago and in Frankfurt, which are complemented by regional depots in Sydney, Tianjin, Hong Kong, Singapore, and Dubai. Maintenance services are also available through service centres located in the United States, Europe and the Asia-Pacific, including a facility in China, as well as various line maintenance facilities and third party authorized service facilities throughout the world.

Competition

Aviation faces rigorous competition from a variety of competitors comprising both global players with a broad product and service portfolio and regional competitors with a narrower product focus, including, principally, Gulfstream, Dassault, Cessna and Embraer.

Business Aircraft Estimated Market Share by Units Delivered and Revenues

For the three-year period ended December 31, 2019, Business Aircraft captured 26% of the market share, making it the market leader, based on business aircraft units delivered⁽¹⁾.

⁽¹⁾ Source: Based on Aviation's estimates, competitors' public disclosure, the General Aviation Manufacturers Association (GAMA) shipment reports, Ascend Flight Global and Business and Commercial Aviation Magazine list prices.

For the three-year period ended December 31, 2019, Business Aircraft captured 30% of the market share, ranking second, based on business aircraft revenues⁽²⁾.

⁽²⁾Source: Based on Aviation's estimates, competitors' public disclosure, the GAMA shipment reports, Ascend Flight Global and Business and Commercial Aviation Magazine list prices.

New Products and Product Development

Information about Aviation's new products and product development can be found in the section entitled "Aviation - Analysis of Results" of the Corporation's MD&A, which section is incorporated by reference herein.

Aviation Production Methods

Aviation products are manufactured in its production facilities located in Canada (Montréal and Toronto), the United States (Wichita and Red Oak) and Mexico (Querétaro). Operations conducted in those facilities vary from manufacturing and assembly of aircraft components and parts to final aircraft assembly, interior finishing, painting and pre-flight activities.

Operations in relation to business activities to be sold as announced in 2019 (commercial aircraft and aerostructure businesses) will continue to be carried out until closing at Bombardier's facilities in Canada (Montréal and Mirabel), the United Kingdom (Belfast), Morocco (Casablanca) and the United States (Bridgeport, Tucson and Dallas). Operations conducted in these facilities vary from design, manufacturing and aftermarket services to engineering services including aircraft structure design and stress analysis, ground and flight testing, and certification and in-service support.

The raw materials, components, items and systems required to manufacture aircraft and aerostructures and system components are procured around the world and vary from product to product. Most of these materials, components and systems are provided by suppliers with which Bombardier has long-term contracts. Bombardier seeks long-term relationships with major direct and indirect suppliers for the development of new aircraft programs and for the delivery of materials, major systems and components to build and deliver aircraft and support customers with related services. Within its supply chain, Bombardier has built relationships with suppliers worldwide in production, indirect goods and services and aftermarket.

Transportation

Transportation offers a broad portfolio of modern product platforms and services in the rail industry, covering the full spectrum of rail solutions, ranging from complete trains to sub-systems, services, system integration and signalling. Based on this suite of innovative technologies, Transportation has won orders across all product segments and major geographies, underlining the competitiveness of its products and services worldwide.

Transportation has production and engineering sites located worldwide.

The global headquarters of Transportation are located in Berlin, Germany.

For a list of the Corporation's principal subsidiaries that fall within Transportation, see "Item 1 - Corporate Structure, section 1.2 - Subsidiaries".

Market Segments

Information about products and services offered by Transportation can be found in the section entitled "Transportation - Profile" of the Corporation's MD&A, which section is incorporated by reference herein.

Principal Markets

Revenues by Geographic Region



Transportation external revenues for the financial year ended December 31, 2019: \$8.269 billion

- Global headquarters

⁽¹⁾ The "Rest of world" region includes South America, Central America, Africa, the Middle East and the CIS.

The majority of Transportation's rolling stock business is with large railway operators in the public sector, such as national railways and municipal transit authorities. These organizations rely on public involvement for infrastructure funding and operations financing. Most operate on a urban, regional or national basis, but some increasingly focus their operations internationally along with emerging private trans-national operators. While deregulation is a factor in some markets, public-sector entities still dominate in most regions. Transportation continues to expand its revenues both in its traditional core markets in Europe, North America and Asia as well as in select Rest of world markets.

Distribution Methods

Transportation has seven business regions for the sales, delivery and service of Rolling Stock products and one global business unit for Rail Control Solutions and Wayside (RCS). The business regions for Rolling Stock products are (i) the United Kingdom, (ii) CEI, (which is comprised of Germany, Austria, countries in Eastern Europe and Israel), (iii) France, (iv) Americas, (v) South East Asia, (vi) EMEAI (which is comprised of countries in Europe, the Middle East, Africa and India) and (vii) China. The sales teams perform their sales activities in each of the aforementioned business regions and global business unit.

Transportation has a global sales and marketing function to continuously strengthen overall alignment on business development as well as sales and marketing. All regions and global divisions follow the same directives, processes and guidelines for their sales activities, the management of their key accounts, the documentation of future opportunities

and bids, the selection and management of sales intermediaries (representatives) and customer relationship management.

All selling activities are done via tender or negotiation processes and, accordingly, Transportation obtains most of its contracts through competitive bidding processes. Customers of Transportation compete with air and road-based transportation, making passenger safety and comfort, travel times, efficiency, service reliability and capacity important competitive factors. Key factors in rail procurement tenders are compliance with customer specifications, product reliability, maintainability, availability, safety, price and life cycle cost, energy efficiency, design, time to market and innovation. Critical customer requirements include passenger experience, performance, life-cycle costs and systems integration. Additionally, local content in products is often an important criterion to public customers.

Transportation's bidding approach is based on pre-defined criteria which contributes to the strengthening of its order book. Transportation aims to bid on opportunities that will increase the share of standardized products in its overall project portfolio. In addition, Transportation strengthens its focus on the entire value chain of the rail industry. To increase the share of higher margin services, system integration and signalling businesses, Transportation aims to bid on tenders that include a service component and also capture more system integration opportunities. Transportation focuses on its end-to-end project development and execution cycle to allow optimization of the use of its existing engineering and manufacturing capacities. Improving the backlog mix by replacing challenging legacy projects with lower-risk projects is key to return to stronger financial performance.

Production Methods

Transportation covers a full spectrum of railway solutions, ranging from product design, components production and complete train manufacturing to system integration, as well as services and refurbishment solutions. Transportation products are developed, manufactured, assembled and serviced through a global network of sites. The sites are specialized by market segment and type of operation.

Transportation has engineering and production sites specialized in the manufacturing and assembly of end products such as locomotives, metros, automated people-movers, light rail vehicles, commuter and regional trains, intercity and high-speed trains, as well as production of components such as bogies and propulsion equipment and engineering and production sites for its signalling and systems businesses. Transportation also has main services sites which focus on fleet maintenance, refurbishment and overhaul and services sites on customer premises which perform fleet maintenance and spare parts supply activities.

Transportation principally contracts with and delivers its products directly to end-customers or via participation in consortiums or joint ventures. Contracts tend to be large in size and relatively complex in design, resulting in significant engineering and design lead times before delivery. Transportation believes that flexible manufacturing is the key element to enable improvements in its ability to respond to customers in a cost-effective manner. Building on modular platforms allows for shorter lead times, lower costs and reduced execution risks while enhancing product flexibility to address specific customer needs. As such, Transportation's technology standardization and modularization strategy transforms and de-risks the way it develops technologies through the adoption of a platform-based product approach that aims to standardize designs, processes and tools in relation to delivering various sub-systems and building blocks of vehicles that can then be applied across projects, thus significantly increasing technology synergies and re-use opportunities. These initiatives have been deployed on the *AVENTRA*, *TALENT*, *ZEFIRO*, *FLEXITY* and *TRAXX* product families, among others, and are being rolled out across other product families. Information about challenging legacy projects can be found in the sections entitled "Transportation - Highlights" and "Transportation - Analysis of Results" of the Corporation's MD&A, which sections are incorporated by reference herein.

With regard to procurement, Transportation works through a centralized procurement function, integrating the global supply chain as well as strategic and operational procurement designed to ensure an efficient and cost effective sourcing of material and services across all regions and global businesses. The Corporation aims to optimize the total cost of ownership and drive economies of scale through standardization of all categories, systems and non-product related procurement activities.

Competition

The worldwide rail market has been resilient historically to economic recessions and therefore attracts numerous competitors. In 2019, the industry continued to experience increased consolidation and competitiveness among both the OEMs as well as the suppliers.

Transportation generally faces competition from a variety of competitors in the accessible rail market⁽¹⁾, comprising both regional and international players with distinct product focuses, such as CRRC, Alstom, Siemens, Hitachi-Ansaldo, CAF, Stadler, Hyundai-Rotem, Kawasaki, GE, Thales and Talgo.

Transportation believes it holds a leading position in terms of order intake in Europe, North America and select markets in the Asia-Pacific region, resulting in large part from its long-term presence and value proposition as well as its diverse product portfolio. In Europe and North America, Transportation has secured important contracts in the regional and commuter, LRV and locomotive segments as well as in the signalling and services segments. In the Asia-Pacific region, Transportation continues to develop its presence and further expand its product and services offering together with its local partners. Transportation has successfully maintained and increased its presence in countries such as Australia, China, India and Thailand⁽²⁾.

Information about Transportation's order intake during the fiscal year ended December 31, 2019, can be found in the section entitled "Transportation - Analysis of Results" of the Corporation's MD&A, which section is incorporated by reference herein.

⁽¹⁾ Transportation's relevant and accessible rail market is the world rail market, excluding the share of markets associated with contracts that are awarded to local players without open-bid competition. Transportation's relevant and accessible market also excludes the infrastructure, freight wagon and shunter segments.

⁽²⁾ All statements in this paragraph are based on Transportation's management's tracking of published Rolling Stock orders in 2014-2018 in Transportation's accessible rail market.

SEGMENTED DISCLOSURE

For information on the Corporation's revenues allocated by country (based on the location of the customer) and revenues by reportable segment, reference is made to Note 5 of the Corporation's consolidated financial statements for the fiscal year ended December 31, 2019 filed on SEDAR (www.sedar.com) on February 13, 2020, which Note is incorporated by reference into this Annual Information Form.

AGREEMENTS RELATED TO THE USE OF CERTAIN TECHNOLOGIES

Some operations of Bombardier are conducted under agreements, which allow the Corporation to use certain technical data and information related to products or technologies developed by others. The most important of these agreements was signed on December 22, 1986 (the CFC Agreement), with Cartierville Financial Corporation Inc. (CFC), a wholly-owned subsidiary of Canada Development Investment Corporation, in turn wholly-owned by the Canadian federal government, under which Canadair Limited obtained a license granting it the right to use and exploit the technology related to the design of the *Challenger* aircraft and to use and incorporate this technology in the manufacture, development, testing, sale, distribution, maintenance and support of *Challenger* aircraft and any other related product worldwide. The initial term of the CFC Agreement was 21 years; however, the Corporation (as successor in interest to Canadair Limited) had the option to renew the CFC Agreement for three additional consecutive periods of 21 years each. The first of such options was exercised during the 2007 fiscal year. In consideration of the rights thus granted to it, the Corporation paid CFC a lump sum of Cdn \$20 million in 1988, less an amount equal to certain royalties paid, in lieu of the royalties provided for under the CFC Agreement.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS

Approach to Sustainability

Sustainability is an integral part of the Corporation's enterprise strategy. The Corporation focuses its execution in the following areas: product innovation, customer experience, operational efficiency, people, health, safety and environment, corporate citizenship and governance. Underpinning these focus areas are the Corporation's core values - integrity, respect for others and commitment to excellence - as well as its Code of Ethics and its commitment to the United Nations Global Compact.

In 2007, Bombardier signed the United Nations Global Compact, the world's largest corporate citizenship and sustainability initiative, and published its first sustainability roadmap. It has since then continued to implement sustainability actions and report on its progress. The Corporation is committed to actively promoting the United Nations Global Compact's 10 fundamental principles on human rights, labour, the environment and anti-corruption through its strategies, policies and procedures and across its operations. As a signatory, Bombardier also endorses the United Nations' 17 Sustainable Development Goals and focuses its efforts and activities most specifically on six of them:

- Goal 8 Decent work and economic growth;
- Goal 9 Industry innovation and infrastructure;
- Goal 11 Sustainable cities and communities;
- Goal 12 Responsible consumption and production;
- Goal 13 Climate action;
- Goal 17 Partnerships for the goals.

Bombardier's commitment to the United Nations Global Compact, as well as its considerations of ESG factors are translated in its policies and codes, including the below:

- Code of Ethics;
- Health, Safety and Environment Policy;
- Supplier Code of Conduct;
- Quality Policy;
- Product Safety Policy;
- Employment Equity Policy;
- Anti-Corruption Policy and Gift and Entertainment Directive;
- Reporting and Non-Retaliation Policy;
- Third-Party Due Diligence Policy;
- Workplace Harassment Policy;
- Data Privacy Policy;
- Donations, Sponsorships and Employee Volunteering Policy; and
- Human Rights Statement.

The Corporation received external recognition for its sustainability performance. In 2019, the Corporation was listed on the Carbon Clean 200 List by Corporate Knights and As You Sow. In 2019, the Corporation continued to drive innovative and sustainable practices within its business and was nominated as one of the Corporate Knights' 2019 Best 50 Corporate Citizens in Canada, a benchmark indicator of sustainability. Most recently, in January 2020, Bombardier was nominated by the Corporate Knights' Global 100 Most Sustainable Corporations in the World Index. These awards reflect Bombardier's continued investments in building advanced and efficient products. It also reinforces the Corporation's belief that its performance in sustainability is fundamental to its long-term business success.

Product Innovation

Bombardier's procedures and operations are also reflective of its commitment to ESG factors. Indeed, environmental sustainability constitutes a fundamental guiding principle of product innovation for both of Aviation and Transportation. In 2019, the Corporation continued to actively integrate sustainability into its operations through several actions including:

- using eco-design to help optimize the environmental performance of aircraft and rail solutions throughout their life-cycle;
- increasing the adoption and availability of sustainable aviation fuel (SAF) in business aviation, including securing SAF supply at its Montreal facility to be deployed to customers upon aircraft delivery;
- participating in four industry-wide SAF demonstrations; and
- developing new environmentally-conscious rail innovations such as the new battery-powered *TALENT* 3 train.

Health, Safety and Environmental Management

The Corporation's products as well as its manufacturing and services activities are subject to health, safety, environmental and social regulations by federal, provincial and local authorities in all jurisdictions in which it operates around the world. The Corporation has established and periodically updates its Health, Safety and Environment policy (the HSE Policy) that defines the Corporation's vision regarding such matters throughout its worldwide operations. Essentially, the Corporation aims to be a leader in health, safety and environment (HSE) preventive culture by building a common foundation of expectations for its people, by limiting risks, and by empowering every employee to take individual responsibility for creating a safe and environmentally-responsible workplace. The HSE Policy anchors the Corporation's commitment to protect its employees from occupational illnesses and work-related accidents, striving for zero harm, fostering health in the workplace, and ensuring that its activities have a minimal impact on the environment. The Corporation's HSE management systems are well integrated into Bombardier's business operations, having embraced internationally recognized standards since their establishment several years ago.

The Corporation has obtained certification according to the Occupational Health and Safety Assessment Series (OHSAS) 18001. It is currently preparing a transition from OSHA 18001 to the new ISO 45001 Occupational Health and Safety management systems. ISO 45001 proposes a more proactive approach towards risk control and leadership involvement in health and safety management.

To prevent pollution, improve performance, and minimize environmental risks, the Corporation follows the ISO 14001:2015 Standard in each of its manufacturing and services locations. To date, the Corporation's eligible locations are certified or in the process of obtaining their certification by external parties according to the ISO 14001:2015 Standard for Environmental Management. Nine Transportation sites are also registered under the European Union Eco-Management and Audit Scheme approach (six in Germany, as well as sites in Austria, Spain and Hungary). Consistent with its policy of stressing environmental responsibility and its desire to maintain legal compliance, the Corporation routinely procures, installs and operates pollution control devices, such as wastewater treatment plants, groundwater monitoring devices, air strippers or separators, and incinerators at new and existing facilities constructed or upgraded in the normal course of business. In line with the requirements set by the ISO 14001:2015 Standard, new environmental laws and regulations are tracked and assessed on a regular basis. Future capital expenditures for pollution control systems resulting from these imminent regulatory requirements are not currently expected to have a material effect on the Corporation's consolidated financial position.

As part of a triennial process, the external auditors of the Corporation conduct an HSE Legal Compliance Audit program at eligible sites to ascertain compliance of the Corporation's manufacturing and services activities to all applicable HSE laws and regulations and other specific requirements. These audits also provide opportunities to identify and highlight best practices, which may then be leveraged at a larger scale. These reviews help the Corporation to continuously improve its HSE performance. The Corporation also regularly conducts benchmarks against global peers, which include reviews of its HSE reporting and value creation approaches. In addition, the Board of Director's Human Resources and Compensation Committee (HRCC), composed entirely of independent directors, reviews occupational health and safety matters on a quarterly basis.

The Corporation strives for the continuous reduction of the detrimental impacts of its operations on the environment. Namely, the Corporation has established objectives and targets to reduce the environmental footprint of its services and manufacturing facilities, which remain an area of ongoing attention. Between 2014 and 2018, considerable efforts have been made to meet the following five-year targets:

- reduce absolute energy consumption, greenhouse gas (GHG) emissions, water consumption and waste by 1%;

- reduce relative water consumption and waste by 1% and energy consumption and GHG emissions by 3% per 200,000 worked hours; and
- increase waste valorization by 3%.

Tracking to its 2013 baseline, the Corporation made progress between 2014 and 2018 and achieved an overall improvement, all through a thriving period of robust product development and testing within its Aviation division and an increase in production in its Transportation division. Results for 2019 will appear in the Corporation's upcoming annual Activity Report. Bombardier is now actively defining the environmental objectives for the next five-year cycle starting in 2021, which will focus on further reducing its environmental footprint, using resources more efficiently, as well as driving greater efficiencies in its business.

Governance

The Corporation actively engages with its suppliers to improve efficiency, quality and sustainability practices. Suppliers that sign a contract with Bombardier are required to adhere to the Corporation's Supplier Code of Conduct. This practice, together with Bombardier's Code of Ethics and its Human Rights Statement, formalizes the Corporation's commitment to integrate ESG considerations at a global level and clearly indicates its expectations regarding these components to all its business partners. In 2019, the Corporation updated its Code of Ethics and Supplier Code of Conduct. The renewed Supplier Code of Conduct reinforces, among other things, Bombardier's expectations regarding the respect of human rights.

Ensuring strict compliance and reinforcing strong ethical conduct remains a constant priority for the Corporation. The Corporation's governance and reporting structure on ethics and compliance is under the oversight of the Corporate General Counsel Office, and the Board of Directors is presented with a report on a quarterly basis. In 2019, the Corporation updated several of its policies to further reflect international standards and best practices. It also provided several trainings on ethics-related topics and maintained regular communications to employees.

The Corporation also regularly tracks the potential sustainability related risks that are shaping its operating environment, including talent attraction, product innovation, health, safety and environment requirements and climate change.

The Corporation sees the management of ESG risks and opportunities as an inherent part of Bombardier's success as a business. To further advance the integration of sustainability within Bombardier, the Corporation will reinforce its internal governance on this matter and plans to launch a renewed global sustainability strategy to be approved by the Board of Directors. The Corporation recognizes the importance of keeping stakeholders fully informed and proposes to report on its progress on the renewed sustainability strategy in its annual Activity Report.

In May 2019, the Corporation published its annual Activity Report, which provides a transparent update on its sustainability strategy, as well as its ESG and economic performance. The Corporation's most recent Activity Report can be found here: www.bombardier.com/en/sustainability.html.

Environmental Laws and Risks

The Corporation's regulatory risks associated with climate change generally fall under the national and local requirements implemented by each jurisdiction where the Corporation is present. Most countries where the Corporation carries out manufacturing activities are at various stages of developing binding emission allocations and trading schemes. During 2019, the Corporation's regulatory risks associated with climate change mainly fell under its obligations to the European Union Emission Trading Scheme (EU ETS), the United Kingdom Climate Change Agreement, the United Kingdom's Carbon Reduction Commitment energy efficiency scheme (launched in April 2010) the Energy Savings Opportunity Scheme (ESOS), and the Québec carbon market trading scheme (SPEDE). In September 2019, Bombardier voluntarily joined the Western Climate Initiative's (WCI) cap and trade system for GHG allowances, which connects markets from Quebec, Nova Scotia and California.

Two of its sites that were eligible for the voluntary adherence have joined the system: St-Laurent and Challenger sites. This positive decision represents an important step forward in the Corporation's actions to minimize the impacts of its business activities and operations on the environment and on climate change.

Sustainability is an important topic for both Bombardier and its stakeholders, and the Corporation's participation in the WCI carbon market is expected to offer both environmental and cost savings. In addition, it will act as a lever to further invest in energy efficiency measures.

The Corporation continues to monitor risks associated with energy efficiency legislation, carbon or energy taxes, industry standards and other carbon trading mechanisms related to both its activities and products. To date, the impact on the Corporation has been non-material. See also "Risk Factors" set out on page 22 below.

During 2019, the Corporation, through its reportable segments, continued working on implementing mechanisms to ascertain compliance of its products and operations with environmental regulations such as the European Registration Evaluation Authorization and Restriction of Chemicals (REACH) regulation. The Corporation also continues to monitor further developments as well as the emergence of other international regulations and their implementation in order to ensure full compliance. These regulations are not currently expected to have a material effect on the Corporation's financial position.

Furthermore, ensuring compliance with environmental legislation and advancing responsible sourcing is an industry-wide issue. Designated Bombardier teams work cooperatively with peers and associations such as the International Aerospace Environmental Group and Railsponsible to share best practices and adopt consistent standards regarding the environment, sustainability and responsible sourcing.

For further information and to read the Corporation's Activity Report and relevant policies, visit: www.bombardier.com/en/sustainability.html.

European Union Emissions Trading Scheme

During 2019, the Corporation purchased carbon credits to cover the surplus of emission allowances (surpluses of 408 t CO₂e) for the two sites qualified for the EU Allocation Programs. This did not have a material effect on the Corporation's consolidated financial position.

In line with the obligations imposed by the EU ETS, Bombardier's flight operations at Aviation, Transportation and Bombardier's corporate office submitted the required monitoring plans and emission reports to the proper national authorities (the United Kingdom and Germany) covering flights to and from airports within the European Union, Iceland, Norway and Liechtenstein.

Effective April 30, 2014, the EU ETS was revised and non-commercial flight operators with less than 1,000 t CO₂e emissions per year are now exempt from filing reports and trade certificates until 2030. This exemption applies to Bombardier. See also "Risk Factors" set out on page 22 below.

Environmental Liabilities

With respect to environmental matters related to site contamination (historical contamination of soil and groundwater), the Corporation periodically conducts studies, both individually at sites owned by the Corporation, and jointly as a member of industry groups at sites not owned by the Corporation, to evaluate the presence of contaminants in the soil and groundwater, to determine the need for and feasibility of various remediation techniques and to define the Corporation's share of responsibility. The Corporation is currently proceeding with decontamination at a small number of sites both in North America and in Europe. The known historical costs for soil and/or groundwater decontamination are not expected to have a material effect on the Corporation's consolidated financial position. During 2020, the anticipated costs related to environmental liabilities are not expected to be in excess of \$25 million.

Potential Environmental Liabilities

Estimating future environmental clean-up liabilities is dependent on the nature and extent of historical and physical data about a given site, the complexity of the contamination, the uncertainty of which remedy to apply, the timing of the remedial action and the outcome of the discussions with regulatory authorities. Although it appears likely that

annual costs for remediation activities might increase over time because of ever more stringent legal requirements, these costs are not currently expected to be material to the Corporation.

INTANGIBLE PROPERTIES

Bombardier uses various works protected by intellectual property rights that it owns outright or for which it has been granted rights to use. These works include brand names, customer lists, copyrights, patents, trademark designs, trade secrets and know-how. This intellectual property is important to Bombardier's operations and its success. Some of Bombardier's suppliers participate in the development of products such as aircraft or rolling stock platforms. They subsequently deliver major components to Bombardier and own some of the intellectual property on the key components they develop.

The Corporation's registered trademarks are generally renewed at the end of their respective validity periods. The Corporation has and intends to continue to protect its intellectual property rights and maintain its trademarks and the relevant registrations, and will actively pursue the registration of trademarks worldwide.

HUMAN RESOURCES

As world-class employees are crucial to preserving Bombardier's leadership and ensuring its continued growth, attracting and retaining the best talent is a constant priority for Bombardier.

Through various talent management initiatives, Bombardier strives to address challenges in both established and emerging markets. These challenges include:

- Skill shortages;
- Demographic changes;
- Increased competition for the best people;
- Maintaining effective recruiting strategies in key markets;
- Developing and retaining the best talent;
- Leveraging best practices across Bombardier; and
- Continually improving its health and safety performance.

Recruiting, developing and retaining qualified project management and engineering personnel remains fundamental to the success of Bombardier. Competition for these skill sets, particularly in engineering, has become even more intense especially in those areas where in-depth, industry specific expertise is required. Despite these challenges, Bombardier employees are well-trained, engaged and focused on constantly enhancing execution and customer engagement.

Aviation employs many engineers with a wide breadth of expertise in areas such as aerospace design, aerodynamics, stress and structures, flight tests, avionics, hydro-mechanical and software engineering. To support its recruitment objectives, Aviation works with educational institutions to train engineers in areas where there are shortages of qualified candidates. Aviation also provides expertise in teaching and offers internships to complement academic learning with hands on experience. In addition, it continues to expand its internal training programs to continually improve the knowledge of its employees.

Transportation also employs many engineers, critical to the successful design, manufacturing and maintenance of rail transport solutions for the Corporation's global customers. Required skills include mechanical, electrical and software engineering. Transportation has defined key technical domains (e.g. acoustic, crash safety and others) and sub-system competency domains (e.g. brakes, propulsion system and others). Specialized engineering centers of competencies manage Transportation's technical knowledge and are supported by a dedicated technical expert career path.

Additional information about Bombardier's human resources can be found in the sections entitled "Analysis of Results - Workforce" of each reportable segment in the Corporation's MD&A, which sections are incorporated by reference herein.

RISK FACTORS

The description of risks affecting the Corporation and its activities can be found in the section entitled "Risks and Uncertainties" of the Corporation's MD&A, which section is incorporated by reference herein.

DIVIDENDS

The Corporation declared the dividends indicated below on its outstanding shares during each of the fiscal years ended December 31, 2019, December 31, 2018 and December 31, 2017. These dividends are denominated in Canadian dollars.

(millions of dollars, except per share amounts)	December 31, 2019		December 31, 2018		December 31, 2017	
	Total	Per share on an annual basis	Total	Per share on an annual basis	Total	Per share on an annual basis
Series 2 Cumulative Redeemable Preferred Shares	5.7	0.9876	5.2	0.9008	5.9	0.7142
Series 3 Cumulative Redeemable Preferred Shares	6.2	0.9958	6.2	0.9958	2.9	0.8366
Series 4 Cumulative Redeemable Preferred Shares	14.7	1.5625	14.7	1.5625	14.7	1.5625
Class A shares	0	0	0	0	0	0
Class B subordinate voting shares	0	0	0	0	0	0

The articles of the Corporation stipulate that no dividends may be paid on the Class A shares or the Class B subordinate voting shares unless all accrued and unpaid dividends on the Series 2 Cumulative Redeemable Preferred Shares (the Series 2 Preferred Shares), Series 3 Cumulative Redeemable Preferred Shares (the Series 3 Preferred Shares) and Series 4 Cumulative Redeemable Preferred Shares (the Series 4 Preferred Shares) have been declared and paid or set aside for payment, or all the outstanding Series 2 Preferred Shares, Series 3 Preferred Shares or Series 4 Preferred Shares, as the case may be, have been called for redemption and the redemption price of these shares has been deposited in the manner set out in the articles of the Corporation. In addition, the Corporation's ability to pay dividends is limited by the terms of some of its debt instruments.

On February 12, 2015, the Corporation announced the Board of Directors' decision to suspend the declaration of dividends on the Corporation's Class A shares and Class B subordinate voting shares, until further notice of the Board of Directors, considering that, in keeping with the Corporation's objectives, the Corporation's free cash flow would be more appropriately applied to bolstering the Corporation's financial structure and investing in its core programs and businesses.

Information about regular dividends declared and paid by the Corporation is made available through its website, accessible at www.bombardier.com.

GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Corporation consists of (i) an unlimited number of preferred shares without nominal or par value issuable in series (the Preferred Shares), of which 12,000,000 have been designated as the Series 2 Preferred Shares, 12,000,000 have been designated as the Series 3 Preferred Shares and 9,400,000 have been designated as the Series 4 Preferred Shares, (ii) 3,592,000,000 Class A shares, and (iii) 3,592,000,000 Class B subordinate voting shares. As at December 31, 2019, the Corporation had outstanding 5,811,736 Series 2 Preferred Shares, 6,188,264 Series 3 Preferred Shares, 9,400,000 Series 4 Preferred Shares, 308,746,929 Class A shares and 2,128,017,205 Class B subordinate voting shares.

The Class B subordinate voting shares are restricted securities (within the meaning of the relevant Canadian regulations respecting securities) in that they do not carry equal voting rights as compared with the Class A shares. In the aggregate, all voting rights associated with the Class B subordinate voting shares represented, as at December 31, 2019, 40.80% of the voting rights attached to all of the issued and outstanding voting securities of the Corporation.

Class A shares and Class B subordinate voting shares

Subordination and Voting Rights

The Class A shares and the Class B subordinate voting shares rank after the Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation. At each meeting of shareholders of the Corporation, except those meetings where only the holders of shares of another class or of a particular series are entitled to vote, each Class A share entitles the holder thereof to 10 votes and each Class B subordinate voting share entitles the holder thereof to one vote.

Dividends and Liquidation

The holders of Class B subordinate voting shares are entitled to receive, in each fiscal year, if declared by the Board of Directors of the Corporation, in priority to the holders of Class A shares, a non-cumulative dividend at the rate of Cdn \$0.0015625 per share per annum. After payment or setting aside for payment of said dividend, the holders of Class A shares and the holders of Class B subordinate voting shares are equally entitled, share for share, to any additional dividend which may be declared by the Board of Directors of the Corporation in such fiscal year with respect to the Class A shares and Class B subordinate voting shares.

In the event of the liquidation or winding-up of the Corporation or of any other distribution of its assets among its shareholders for the purpose of winding up its affairs, the holders of Class A shares and the holders of Class B subordinate voting shares will be entitled, share for share, to receive on a pro rata basis all of the assets of the Corporation remaining after payment of all of its liabilities, subject to the preferential rights attached to any shares ranking prior to the Class A shares and Class B subordinate voting shares.

Subdivision or Consolidation

In the event of the subdivision or consolidation of the Class A shares or the Class B subordinate voting shares, the Class A shares or the Class B subordinate voting shares, as the case may be, shall be subdivided or consolidated at the same time and in the same manner.

Conversion Privilege

Each Class A share is convertible at any time by the holder thereof into one fully paid and non-assessable Class B subordinate voting share. Each Class B subordinate voting share is convertible by the holder thereof into one fully paid and non-assessable Class A share at any time upon and after the occurrence of either one of the following events: (i) if an Offer (as defined in the articles of the Corporation) is made to all holders of Class A shares to acquire Class A shares and such Offer is accepted by the majority shareholder of the Corporation, namely, the Bombardier family; or (ii) if the Bombardier family ceases to hold, directly or indirectly, more than 50% of the outstanding Class A shares.

Except for the rights, privileges, restrictions and conditions attached to the Class A shares and Class B subordinate voting shares as described above, the Class A shares and the Class B subordinate voting shares have the same rights, are equal in all respects and are treated by the Corporation as if they were shares of one class only.

Preferred Shares as a Class

Issuable in Series

The Preferred Shares are issuable in series, each series consisting of such number of shares and having such rights, privileges, conditions and restrictions as may be determined by the Board of Directors prior to the issue thereof, subject to the provisions of the CBCA, the articles of the Corporation and to the conditions attached to any series of preferred shares outstanding.

Priority

The Preferred Shares of each series rank equally with the Preferred Shares of all other series and rank ahead of the Class A shares and the Class B subordinate voting shares with respect to the payment of dividends and the distribution of assets, to the extent described in the articles of the Corporation, in the event of the liquidation, dissolution or winding-up of the Corporation or of any other distribution of its assets among its shareholders for the purpose of winding up its affairs.

Dividends

The holders of Preferred Shares are entitled to receive preferential dividends in such amounts and at such intervals as may be determined by the Board of Directors of the Corporation with respect to each series prior to the issue thereof.

Rights on Liquidation

In the event of any liquidation, dissolution or winding-up of the Corporation or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of Preferred Shares shall be entitled to receive Cdn \$25.00 per Preferred Share held, together with accrued and unpaid dividends.

Voting Rights

The holders of Preferred Shares do not have the right to receive notice of, attend, or vote at, any meeting of shareholders except to the extent otherwise provided in the articles of the Corporation with respect to any series of Preferred Shares or when holders of Preferred Shares are entitled to vote separately as a class or as a series as set forth in the CBCA or any successor statute, as amended from time to time. In connection with any matter requiring the approval of the Preferred Shares as a class, each holder is entitled to one vote for each dollar of the issue price of the Preferred Shares held. Each holder of Preferred Shares of a particular series shall be entitled, on a series vote, to one vote for each Preferred Share of such series held. Holders of Preferred Shares have no pre-emptive rights.

Modifications

The class provisions of the Preferred Shares may be amended at any time with such approval as may be required by the CBCA. The CBCA currently provides that such approval may be given by at least two-thirds of the votes cast at a meeting of the holders of Preferred Shares. The articles of the Corporation provide, with respect to meetings of holders of Preferred Shares, that a quorum is constituted by two or more persons, representing together, in their own right or as proxy holders or as representatives of such legal person or association, a number of Preferred Shares carrying at least 25% of the voting rights attached to all the outstanding Preferred Shares, in the case of a meeting of the holders of Preferred Shares as a class, or a number of Preferred Shares of any series carrying at least 25% of the voting rights attached to all the outstanding Preferred Shares of such series, in the case of a meeting of the holders of Preferred Shares of that series as a series. However, at any adjourned meeting, the quorum will be constituted by the persons

present at such adjourned meeting, irrespective of the percentage of outstanding Preferred Shares held by such persons.

Series 2 Preferred Shares

The Series 2 Preferred Shares are non-voting (except if the Corporation fails to pay in full 24 monthly dividends, until all arrears of dividends on the Series 2 Preferred Shares have been paid), redeemable at the Corporation's option (with respect to all and not less than all outstanding Series 2 Preferred Shares) at Cdn \$25.50 per share (together with accrued and unpaid dividends), convertible on a one-for-one basis on August 1, 2022 and on August 1 of every fifth year thereafter into Series 3 Preferred Shares. Fourteen days preceding a conversion date, if the Corporation determines after having taken into account all shares tendered for conversion by holders that there would be less than 1,000,000 outstanding Series 2 Preferred Shares on the conversion date, such remaining number shall be automatically converted into an equal number of Series 3 Preferred Shares. Likewise, if the Corporation determines 14 days before the conversion date that at such time, there would be less than 1,000,000 outstanding Series 3 Preferred Shares, then no Series 2 Preferred Shares may be converted. Variable adjustable cumulative preferential cash dividends are payable monthly on the 15th day of each month, if declared by the Board of Directors, with the annual variable dividend rate set between 50% and 100% of the Canadian prime rate, adjusted as follows. The dividend rate will vary in relation to changes in the prime rate and will be adjusted upwards or downwards on a monthly basis up to a monthly maximum of 4% of the prime rate if the trading price of the Series 2 Preferred Shares is less than Cdn \$24.90 per share or more than Cdn \$25.10 per share.

None of the provisions of the articles of the Corporation relating to Series 2 Preferred Shares as a series shall be amended or otherwise changed unless the series provisions relating to Series 3 Preferred Shares are amended or otherwise changed in the same proportion and in the same manner.

Series 3 Preferred Shares

The Series 3 Preferred Shares are non-voting (except if the Corporation fails to pay in full eight quarterly dividends, until all arrears of dividends on the Series 3 Preferred Shares have been paid), redeemable at the Corporation's option (with respect to all and not less than all outstanding Series 3 Preferred Shares) at Cdn \$25.00 per share (together with accrued and unpaid dividends) on August 1, 2022 and on August 1 of every fifth year thereafter, convertible on a one-for-one basis at the option of the holder on August 1, 2022 and on August 1 of every fifth year thereafter into Series 2 Preferred Shares. Fourteen days preceding a conversion date, if the Corporation determines after having taken into account all shares tendered for conversion by holders that there would be less than 1,000,000 outstanding Series 3 Preferred Shares on the conversion date, the remaining number shall be automatically converted into an equal number of Series 2 Preferred Shares. Likewise, if the Corporation determines 14 days before the conversion date that at such time, there would be less than 1,000,000 outstanding Series 2 Preferred Shares, then no Series 3 Preferred Shares may be converted. The Series 3 Preferred Shares carry an annual dividend rate of 3.983% for the five-year period from August 1, 2017 to and including July 31, 2022, payable quarterly on the last day of January, April, July and October, if declared by the Board of Directors. The quarterly dividend rate will be fixed by the Corporation at least 45 days and not more than 60 days before each subsequent five-year dividend period. Each five-year fixed dividend rate selected by the Corporation shall not be less than 80% of the Government of Canada bond yield as defined in the Articles of Amendment creating the Series 3 Preferred Shares.

None of the provisions of the articles of the Corporation relating to Series 3 Preferred Shares as a series shall be amended or otherwise changed unless the series provisions relating to Series 2 Preferred Shares are amended or otherwise changed in the same proportion and in the same manner.

Series 4 Preferred Shares

The Series 4 Preferred Shares are entitled to fixed, cumulative, preferential cash dividends, if, as and when declared by the Board of Directors of the Corporation, at a rate equal to Cdn \$1.5625 per share per annum. Dividends are payable quarterly on the last day of January, April, July, and October each year at a rate of Cdn \$0.390625 per share

per quarter. The Series 4 Preferred Shares are non-voting (except if the Corporation fails to pay in full eight quarterly dividends, until all arrears of dividends on the Series 4 Preferred Shares have been paid).

The Corporation may, on not less than 30 nor more than 60 days' notice, redeem for cash the Series 4 Preferred Shares in whole or in part, at the Corporation's option, at Cdn \$25.00 (together with accrued and unpaid dividends). Alternatively, the Corporation may, on not less than 30 nor more than 60 days' notice, and subject to stock exchange approvals, convert all or any part of the outstanding Series 4 Preferred Shares into fully paid and non-assessable Class B subordinate voting shares of the Corporation. The number of Class B subordinate voting shares of the Corporation into which each Series 4 Preferred Share may be converted will be determined by dividing the applicable redemption price per Series 4 Preferred Share together with all accrued and unpaid dividends to but excluding the date of conversion by the greater of Cdn \$2.00 and 95% of the weighted average trading price of such Class B subordinate voting shares on the Toronto Stock Exchange (TSX) for the period of 20 consecutive trading days which ends on the fourth day prior to the date specified for conversion or, if that fourth day is not a trading day, on the immediately preceding trading day (the Current Market Price). Fractional Class B subordinate voting shares shall not be issued on any conversion of Series 4 Preferred Shares but in lieu thereof the Corporation shall make cash payments in an amount per fractional Class B subordinate voting share otherwise issuable equal to the product of the fraction of the Class B subordinate voting share otherwise issuable and the greater of Cdn \$2.00 or 95% and such Current Market Price. The Corporation may, at its option, at any time grant the holders of Series 4 Preferred Shares the right, but not the obligation, to convert their shares upon notice into a further series of Preferred Shares on a share-for-share basis.

Ratings

As at February 12, 2020, the Corporation had a long-term issuer credit rating of B- from Standard & Poor's (S&P) with a negative outlook. The Corporation has also received a Corporate Family Rating of B3 and a long-term debt instrument rating of Caa1 from Moody's Investors Service, Inc. (Moody's) both with a negative outlook as well as a long-term issuer default rating of CCC+ from Fitch Ratings Ltd. (Fitch) with a negative outlook. S&P has also rated the preferred shares of the Corporation as as CCC- on the global scale or P-5 (low) on the Canadian scale, while Fitch rated the preferred shares as CCC-.

S&P rates long-term debt by rating categories ranging from a high of AAA to a low of D, Moody's ratings range from a high of Aaa to a low of C, Fitch's ratings range from a high of AAA to a low of D.

A B- long-term debt rating by S&P is the sixth highest rating of ten categories. An obligation rated in the B category is more vulnerable to nonpayment than obligations rated in the BB category but the obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation. Moody's Caa1 long-term debt rating is the seventh highest rating of nine global categories. A Caa rating is used for long term debt judged to be of poor standing and subject to very high credit risk. The "1" numerical modifier indicates that the obligations rank in the higher end of the Caa rating category and the "3" numerical modifier indicates a ranking that is in the lower end of the B rating category. A CCC+ long term issuer default rating by Fitch is the seventh highest rating of eleven categories and is used to give an indication of a corporate issuer's relative vulnerability to default on an ordinal scale where this rating indicates a substantial credit risk being present.

A preferred share rating in the CCC- category from S&P indicates that the obligation is vulnerable to nonpayment and is dependent upon favourable business, financial and economic conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitments on the obligation. In addition, a preferred share rating of CCC- from Fitch is used to give an indication of a corporate issuer's relative vulnerability to default on an ordinal scale where this rating indicates a substantial credit risk being present.

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issuance of securities as well as an issuer's credit quality and disregard certain factors such as market risk or price risk. These factors should be considered by investors as risk factors in their investment decision making process.

The credit ratings accorded by S&P, Moody's and Fitch are not recommendations to purchase, hold or sell securities. There is no assurance that the ratings will remain in effect for any given period of time or that the rating will not be

revised or withdrawn entirely by S&P, Moody's or Fitch in the future if it is in their judgment that circumstances so warrant.

During the past two years, the Corporation has made normal course payments to Moody's and S&P in connection with their rating services, which include annual surveillance fees covering Bombardier's outstanding securities, in addition to one-time rating fees when securities are initially issued. Fitch's rating is provided on an unsolicited basis, thus no payments are required to be made by the Corporation.

MARKET FOR THE SECURITIES OF THE CORPORATION

The Corporation's Class A shares, Class B subordinate voting shares, Series 2 Preferred Shares, Series 3 Preferred Shares and Series 4 Preferred Shares are listed for trading on the TSX under the symbols "BBD.A", "BBD.B", "BBD.PR.B", "BBD.PR.D" and "BBD.PR.C", respectively. The following table sets forth the reported high, low and closing sale prices in Canadian dollars and the cumulative volume of trading of each of the Corporation's securities listed for trading on the TSX for the periods indicated:

Month of year ended		Class A Shares "BBD.A"	Class B Subordinate Voting Shares "BBD.B"	Series 2 Preferred Shares "BBD.PR.B"	Series 3 Preferred Shares "BBD.PR.D"	Series 4 Preferred Shares "BBD.PR.C"
2019						
December	High	\$2.06	\$2.02	\$10.60	\$11.19	\$19.00
	Low	\$1.89	\$1.86	\$9.91	\$10.50	\$17.90
	Close	\$1.94	\$1.93	\$10.60	\$10.70	\$18.67
	Volume	1,388,950	100,847,028	145,379	71,285	152,890
November	High	\$2.19	\$2.15	\$10.59	\$11.15	\$19.19
	Low	\$1.73	\$1.66	\$9.73	\$9.92	\$18.24
	Close	\$2.00	\$1.97	\$10.55	\$11.12	\$18.93
	Volume	2,238,164	112,906,573	147,345	96,715	148,542
October	High	\$1.88	\$1.82	\$10.65	\$10.91	\$18.76
	Low	\$1.60	\$1.53	\$9.55	\$9.60	\$17.47
	Close	\$1.71	\$1.66	\$9.92	\$10.00	\$18.61
	Volume	1,430,167	111,773,399	141,388	102,313	103,450
September	High	\$1.98	\$1.94	\$10.80	\$10.83	\$18.75
	Low	\$1.74	\$1.70	\$10.15	\$10.15	\$17.26
	Close	\$1.83	\$1.79	\$10.55	\$10.65	\$18.43
	Volume	1,648,523	106,988,390	75,755	42,224	70,666
August	High	\$2.10	\$2.02	\$11.06	\$11.20	\$18.40
	Low	\$1.57	\$1.53	\$9.85	\$9.90	\$17.30
	Close	\$1.79	\$1.72	\$10.80	\$10.36	\$17.50
	Volume	2,703,769	175,893,539	157,143	94,763	139,197
July	High	\$2.34	\$2.34	\$11.20	\$11.63	\$20.20
	Low	\$2.07	\$2.05	\$10.32	\$10.67	\$17.90
	Close	\$2.27	\$2.27	\$11.20	\$11.29	\$18.15
	Volume	1,312,619	89,300,355	88,240	87,518	171,447
June	High	\$2.50	\$2.46	\$11.23	\$11.30	\$19.99
	Low	\$2.03	\$1.96	\$10.16	\$10.65	\$19.10
	Close	\$2.21	\$2.20	\$10.61	\$10.97	\$19.70
	Volume	1,734,346	154,451,670	161,717	81,540	133,884
May	High	\$2.48	\$2.35	\$11.45	\$12.28	\$21.33
	Low	\$2.04	\$1.99	\$10.60	\$11.24	\$19.18
	Close	\$2.09	\$2.03	\$11.09	\$11.44	\$19.53
	Volume	1,738,786	177,815,912	84,030	59,186	99,823
April	High	\$2.92	\$2.92	\$11.92	\$12.85	\$22.50
	Low	\$2.30	\$2.18	\$11.12	\$11.81	\$20.50
	Close	\$2.38	\$2.29	\$11.39	\$11.82	\$21.20
	Volume	2,032,767	277,010,953	97,951	87,816	183,574

March	High	\$3.08	\$3.03	\$12.03	\$12.78	\$21.35
	Low	\$2.58	\$2.53	\$11.20	\$11.83	\$19.86
	Close	\$2.62	\$2.57	\$11.84	\$12.31	\$20.60
	Volume	2,788,318	243,241,153	100,302	165,765	155,633
February	High	\$3.00	\$2.94	\$12.08	\$12.34	\$20.90
	Low	\$2.02	\$1.86	\$10.49	\$10.45	\$19.45
	Close	\$2.84	\$2.80	\$11.84	\$11.94	\$20.10
	Volume	4,550,090	264,432,727	171,374	172,170	109,558
January	High	\$2.40	\$2.32	\$11.58	\$11.80	\$21.00
	Low	\$1.98	\$1.85	\$10.44	\$10.59	\$18.49
	Close	\$2.10	\$1.99	\$11.53	\$11.11	\$19.65
	Volume	3,197,775	184,756,726	114,087	68,478	127,934

DIRECTORS AND EXECUTIVE OFFICERS

The names of the directors and executive officers of the Corporation, their municipality of residence, the positions held by them within the Corporation, the principal occupations of the directors, the period during which each director has exercised his or her mandate, as well as the number of Class A shares or Class B subordinate voting shares, as the case may be, of the Corporation that the directors, as at February 12, 2020, owned beneficially or over which they exercised control or direction, are indicated below. No Series 2 Preferred Shares, Series 3 Preferred Shares or Series 4 Preferred Shares are held by any director.

Directors

Name, Municipality of Residence, Principal Occupation(s) and Position(s) Held Within the Corporation	Period of Service as a Director	Class A Shares	Class B Subordinate Voting Shares
Pierre Beaudoin ⁽¹⁾ Westmount, Québec, Canada Chairman of the Board of Directors	2004 to date	512,859	952,761
Alain Bellemare Montréal, Québec, Canada President and Chief Executive Officer of the Corporation	2015 to date	—	905,859
Joanne Bissonnette ⁽²⁾ Montréal, Québec, Canada Corporate Director	2012 to date	—	5,824
Charles Bombardier ⁽³⁾ Montréal, Québec, Canada Founder and President, Imaginactive (non-profit organization that creates concepts on the future of mobility and conducts research to improve new product feedback)	2019 to date	—	16
Martha Finn Brooks ^{(a) (c)} Atlanta, Georgia, United States Corporate Director	2009 to date	—	30,000
Diane Fontaine ⁽⁴⁾ Montréal, Québec, Canada Vice President and Portfolio Manager RBC Dominion Securities Inc.	2019 to date	—	—
Diane Giard ^{(a) (d)} Shefford, Québec, Canada Corporate Director	2017 to date	—	—
Anthony R. Graham ^{(a) (d)} Toronto, Ontario, Canada Chairman, President and Chief Executive Officer, Sumarria Inc. (an investment holding company)	2019 to date	—	—
August W. Henningsen ^{(b) (c)} Hamburg, Germany Corporate Director	2016 to date	—	26,500
Pierre Marcouiller ^{(a) (b)} Magog, Québec, Canada President, Nexcap Inc. (a private investment company)	2017 to date	—	—
Douglas (Doug) R. Oberhelman ^{(b) (d)} Edwards, Illinois, United States Corporate Director	2017 to date	—	100,000

Vikram Pandit ^{(b) (d) (e)} New York, New York, United States Chairman and Chief Executive Officer, The Orogen Group (a company investing in the financial services industry)	2014 to date	—	—
Anthony N. Tyler ^{(c) (d)} Hong Kong Corporate Director	2017 to date	—	—
Beatrice Weder di Mauro ^{(a) (c)} Singapore Professor of International Macroeconomics, The Graduate Institute of International and Development Studies	2016 to date	—	—

⁽¹⁾ Claire Bombardier Beaudoin, mother of Pierre Beaudoin, exercises, through holding corporations which she controls, control or direction over 61,373,490 Class A shares, which include 500,000 Class A shares over which Claire Bombardier Beaudoin exercises controls jointly with her husband, Laurent Beaudoin, through Beaudier Inc., a portfolio holding company of the Beaudoin family which is controlled by Laurent Beaudoin and Claire Bombardier Beaudoin, through holding companies which they control. Claire Bombardier Beaudoin also exercises control jointly with her husband, Laurent Beaudoin, through Beaudier Inc. over 8,695,136 Class B subordinate voting shares.

⁽²⁾ Janine Bombardier, mother of Joanne Bissonnette, exercises, through holding corporations which she controls, control or direction over 61,973,491 Class A shares and 7,110,137 Class B subordinate voting shares.

⁽³⁾ J. R. André Bombardier, father of Charles Bombardier, exercises, through holding corporations which he controls, control or direction over 65,401,042 Class A shares and 7,335,910 Class B subordinate voting shares.

⁽⁴⁾ Huguette Bombardier Fontaine, mother of Diane Fontaine, exercises, through holding corporations which she controls, control or direction over 60,701,887 Class A shares and 7,070,136 Class B subordinate voting shares.

^(a) Member of the Audit Committee

^(b) Member of the Human Resources and Compensation Committee

^(c) Member of the Finance and Risk Management Committee

^(d) Member of the Corporate Governance and Nominating Committee

^(e) Lead Director

Each director remains in office until the following annual shareholders' meeting or until the election of his/her successor, unless he/she resigns or his/her office becomes vacant as a result of his/her death, removal or any other cause.

Executive Officers who are not Directors

Name and Municipality of Residence	Position Held Within the Corporation
Daniel (Dan) Brennan Montréal, Québec, Canada	Senior Vice President, Human Resources
David Coleal Minneapolis, Minnesota, United States	President, Aviation
John Di Bert Montréal, Québec, Canada	Senior Vice President and Chief Financial Officer
Danny Di Perna Avon, Connecticut, United States	President, Transportation
Steeve Robitaille Montréal, Québec, Canada	Senior Vice President, General Counsel and Corporate Secretary

As at February 12, 2020, the directors of the Corporation and the executive officers of the Corporation, as a group, owned beneficially, directly or indirectly, 512,859 Class A shares and 2,920,928 Class B subordinate voting shares, representing 0.17% and 0.14% respectively, of the outstanding shares of each such class.

The directors and executive officers of the Corporation who have not occupied their current principal occupations for more than five years have otherwise had the following principal occupations during that period:

- Pierre Beaudoin has been Chairman of the Board of Directors of Bombardier since July 2017, prior to which he was Executive Chairman of the Board of Directors of Bombardier since February 2015.
- Charles Bombardier joined the Board of Directors of Bombardier on May 2, 2019. He has been the Founder and President of Imaginactive since 2015. Between 2018 and 2019, he also worked as senior consultant for the International Civil Aviation Organization (ICAO) (a specialized agency of the United Nations).
- Dan Brennan has been Senior Vice President, Human Resources since February 10, 2017, prior to which he was Group Director Human Resources and Talent Development at CHR Plc since December 2014.
- David Coleal has been President, Aviation since May 2, 2019 prior to which he was President of Business Aircraft since June 15, 2015 and Executive Vice President and General Manager of Spirit Aerosystems between August 2011 and May 2015.
- John Di Bert has been Senior Vice President and Chief Financial Officer since August 10, 2015, prior to which he held positions of increasing responsibility in his 14 years at Pratt & Whitney Canada (P&WC), including Vice President, Customer Service, between 2013 and 2015, and Vice President, Finance, between 2007 and 2013.
- Diane Fontaine joined the Board of Director of Bombardier on May 2, 2019. She has been Vice President and Portfolio Manager of RBC Dominion Securities Inc. since 2005.
- Danny Di Perna has been President, Transportation since February 7, 2019, prior to which he was President, Aerostructures and Engineering Services since November 8, 2018 and Chief Operating Officer, Aerospace since September 15, 2018. Between January 2017 and August 2018, he was Vice President of Global Sourcing for GE Power. He was Senior Vice President Operations at Pratt & Whitney between January 2012 and December 2016.
- Diane Giard joined the Board of Directors of Bombardier on December 12, 2017. She was Executive Vice President - Personal-Commercial Banking and Marketing of National Bank of Canada from March 2017 until her retirement in June 2018, prior to which she held the position of Executive Vice President - Personal & Commercial Banking since 2012.
- Anthony R. Graham joined the Board of Directors of Bombardier on May 2, 2019. He is Chairman, President and Chief Executive Officer of Sumarria Inc., prior to which he was Vice Chairman of Wittington Investments, Limited from May 2014 to May 2019.
- August W. Henningsen joined the Board of Directors of Bombardier on April 29, 2016. He was Chief Executive Officer of Lufthansa Technik AG from April 2000 until his retirement in April 2015. Between December 2015 and May 2016, he was a consultant for Plane View Partners.
- Pierre Marcouiller joined the Board of Directors of Bombardier on May 11, 2017. He has been President of Nexcap Inc. since April 2019, prior to which he was Executive Chairman of the Board of Directors of Camso Inc. since April 2017, after having been its Chairman of the Board of Directors and Chief Executive Officer since 2000.
- Doug R. Oberhelman joined the Board of Directors of Bombardier on November 2, 2017. He was Executive Chairman of Caterpillar from January 2017 until his retirement in March 2017, prior to which he had been Chief Executive Officer of Caterpillar from 2010 until December 2016.
- Vikram Pandit joined the Board of Directors of Bombardier on May 1, 2014. He has been Chairman and Chief Executive Officer of The Orogen Group since 2016. From 2012 to 2016, he primarily focused on investing in and advising early stage financial technology companies and building financial services companies with capital partners.
- Steeve Robitaille has been Senior Vice President, General Counsel and Corporate Secretary of Bombardier since May 1, 2019. He was Chief Legal Officer, Executive Vice President, Mergers and Acquisition for WSP Global Inc. from May 2017 to April 2019, prior to which he was senior partner of the law firm Stikeman Elliott LLP where he practiced corporate law for over 20 years.
- Antony N. Tyler joined the Board of Directors of Bombardier on May 11, 2017. He was Director General and Chief Executive Officer of the International Air Transport Association, a position he held from 2011 until his retirement in September 2016.
- Beatrice Weder di Mauro joined the Board of Directors of Bombardier on April 29, 2016. She is a professor of international economics at The Graduate Institute of International and Development Studies since January 2019 and the President of the Center for Economic Policy Research since July 2018. She is also a research professor since 2017 and a distinguished fellow-in-residence since 2015 at INSEAD in Singapore. Previously, she was the Chair of Economic Policy and International Macroeconomics at the Johannes Gutenberg University of Mainz from 2001 until July 2018.

LEGAL PROCEEDINGS

In the normal course of operations, the Corporation is a defendant in certain legal proceedings before various courts or other tribunals including in relation to product liability and contractual disputes with customers and other third parties. The Corporation's approach is to vigorously defend its position in these matters.

While the Corporation cannot predict the final outcome of legal proceedings pending as at December 31, 2019, based on information currently available, the Corporation does not expect the resolution of these legal proceedings to have a material adverse effect on its financial position.

Sweden

Since the fourth quarter of 2016, the Swedish police authorities have been conducting an investigation in relation to allegations concerning a 2013 contract for the supply of signaling equipment and services to Azerbaijan Railways ADY (the ADY Contract). In October 2016, the Corporation launched an internal review into the allegations which is conducted by external forensic advisors, under the supervision of the General Counsel and external counsel. Both the investigation and the internal review are on-going. On August 18, 2017, charges were laid against a then employee of the Swedish subsidiary of the Corporation for aggravated bribery and, alternatively, influence trafficking. The trial on these charges took place from August 29 to September 20, 2017. No charges were laid against the subsidiary of the Corporation. In a decision rendered on October 11, 2017, the then employee was acquitted of all charges. The decision was appealed regarding all charges on October 25, 2017 by the Prosecution Authority. On June 19, 2019, the Prosecution Authority confirmed that the acquittal on charge of influence trafficking is no longer being appealed; accordingly, this acquittal on this charge stands as a final judgment. The case is still pending with the Swedish Court of Appeal with a likely scenario that the Swedish Court of Appeal will set a date for the appeal trial.

The ADY Contract is being audited by the World Bank Group pursuant to its contractual audit rights. The audit is on-going. The Corporation's policy is to comply with all applicable laws and it is cooperating to the extent possible with the investigation and the audit.

On November 15, 2018, the World Bank Integrity Vice Presidency (INT) issued a 'show cause' letter to Bombardier, outlining INT's position regarding alleged collusion, corruption, fraud and obstruction in the ADY Contract. The Corporation was invited to respond to these preliminary findings and has done so. As the World Bank's audit process is governed by strict confidentiality requirements, the Corporation can only reiterate that it strongly disagrees with the allegations and preliminary conclusions contained in the letter.

The Corporation's internal review about the reported allegations is on-going but based on information known to the Corporation at this time, there is no evidence that suggests a corrupt payment was made or offered to a public official or that any other criminal activity involving Bombardier took place.

In connection with this on-going review, the Corporation has requested information and documents from the World Bank's audit and continues to wait for such information and documents.

Investigation in Brazil

On March 20, 2014, Bombardier Transportation Brasil Ltda (BT Brazil), a subsidiary of the Corporation, received notice that it was among the 18 companies and over 100 individuals named in administrative proceedings initiated by governmental authorities in Brazil, including the Administrative Council for Economic Protection (CADE), and the Sao Paulo Public Prosecutor's office, following previously disclosed investigations carried on by such governmental authorities with respect to allegations of cartel activity in the public procurement of railway equipment and the construction and maintenance of railway lines in Sao Paulo and other areas. Since the service of process in 2014 on BT Brazil, the competition authority has decided to detach the proceedings against 43 individuals whom it claims to have been difficult to serve process and has also issued additional technical notes dealing with various procedural objections raised by the defendant corporations and individuals. BT Brazil unsuccessfully contested before the courts both the decision to detach the proceedings against these 43 individuals and decisions by CADE restricting physical access to some of the forensic evidence.

As a result of the administrative proceedings initiated by CADE in 2014, BT Brazil became a party as defendant to legal proceedings brought by the Sao Paulo State prosecution service against it and other companies for alleged

'administrative improbity' in relation to refurbishment contracts awarded in 2009 by the Sao Paulo metro operator CMSP and for 'cartel' in relation to a five year-maintenance contract with the Sao Paulo urban transit operator CPTM signed in 2002. In September 2015, the prosecution service of Sao Paulo announced a second public civil action for 'cartel' in relation to the follow-on five year maintenance contract covering the period 2007 to 2012. In addition, BT Brazil was served notice and joined in December 2014 a civil suit as co-defendant first commenced by the Sao Paulo state government against Siemens AG in the fall of 2013 and with which the State government seeks to recover loss for alleged cartel activities.

Companies found to have engaged in unlawful cartel conduct are subject to administrative fines, state actions for repayment of overcharges and potentially disqualification for a certain period. The Corporation and BT Brazil continue to cooperate with investigations relating to the administrative proceedings and intend to defend themselves vigorously.

In December 2018, the Superintendent-General of CADE filed a formal opinion finding BT Brazil had engaged in anti-competitive behaviour. On February 18, 2019, CADE's Attorney General issued its opinion, substantially supporting the General Superintendence's recommendations. On June 20, 2019, the Brazil Superior Court of Justice granted an extraordinary recourse brought by CADE to overcome the effects of certain injunctions instituted by the defendants (including BT Brazil) and the matter was added to the following plenary session of the CADE Board, a quasi-judicial competition tribunal. On July 8, 2019, the CADE Board issued a bench ruling supporting the Superintendent-General of CADE's formal opinion filed in December 2018. This opinion found all the defendants (including BT Brazil) had engaged in anti-competitive behaviour and recommended the conviction of all the investigated parties. In the case of BT Brazil, the conviction includes a fine of 22 million Brazilian Real (\$6 million), but no debarment. BT Brazil was not declared ineligible to participate in future public bids.

In parallel with the proceedings described above, the Corporation conducted an internal review to determine whether any kind of anti-competitive conduct had occurred. This review did not reveal any evidence of participation in an illicit agreement to allocate markets and influence the outcome of competitive bidding procedures as alleged by the competition authority.

The Corporation strongly disagrees with the conclusions of the CADE Board and BT Brazil has commenced the requisite steps to contest its decision before tribunals of competent jurisdiction and continues to vigorously defend itself against the allegations.

Transnet

The Corporation learned through various media reports of the appointment of a Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in the Public Sector, including organs of state (the Zondo Commission) for which the terms of reference were published by presidential proclamation on January 25, 2018. Before and after the creation of the Zondo Commission, the media reported allegations of irregularities with respect to multiple procurements regarding the supply of 1,064 locomotives by South African train operator Transnet Freight Rail. On September 7, 2018, Bombardier Transportation South Africa (Pty.) Ltd. (BTSA) was informed that the Special Investigation Unit (SIU), a forensic investigation agency under the Department of Justice in South Africa, had opened an investigation with respect to the relocation, in 2014, of the manufacturing site from Pretoria to Durban and the costs claimed in regard to this relocation. The Corporation strongly disagrees with these allegations and will continue to vigorously defend itself.

On February 4, 2019, at the request of the head legal advisor to the Zondo Commission, BTSA submitted a confidential written statement with supporting documents that sets out its position on public allegations and requested the opportunity to publicly present evidence to the Zondo Commission. The Zondo Commission has reviewed the submission and related documents. In June 2019, BTSA was requested by SIU to provide information and explanation about the costs of the relocation to Durban. Although the written statement previously communicated to the Zondo Commission could not be shared with SIU, BTSA did provide SIU with the information in its possession regarding the relocation as well as explanation about the costs for same.

The Corporation is conducting an internal review into the allegations by external advisors under the supervision of counsel. The review is still ongoing but based on information known to the Corporation at this time, there is no reason to believe that the Corporation has been involved in any wrongdoing with respect to the procurement by Transnet of 240 TRAXX locomotives from Bombardier Transportation. Contrary to what has been reported by the

media, the contract is still in full force and continues to be executed.

Spain

In December 2017, the Spanish Competition Authority (CNMC) conducted an inspection at the offices of Bombardier European Investments, S.L.U. (BEI) in Madrid. According to the Inspection Order, CNMC's inspection follows information it learned about possible irregularities in public tenders with the Railway Infrastructures Administrator (ADIF). On January 2, 2018, BEI received an information request from the CNMC regarding the legal and operational organization of BEI. BEI is cooperating with the authorities to the extent possible and responded to the information request. There are currently no charges nor formal accusations that BEI breached any law.

On August 28, 2018, BEI was informed that the CNMC was opening formal proceedings against eight competing companies active on the Spanish signaling equipment market and four directors, including BEI and its parent company, Bombardier Transportation (Global Holding) UK Limited. No Bombardier directors were named. The inclusion of the parent company is typical of European competition authorities at the early stage of the proceedings. The delays for CNMC to adopt a final decision on the case are currently suspended pending various appeals (including by BEI) filed in relation to various decisions rendered by CNMC regarding the involvement into the file of the public client ADIF.

The Corporation's policy is to comply with all applicable laws, including antitrust and competition laws. In light of the early stage of the preliminary investigation, management is unable to predict its duration or outcome, including whether any operating division of the Corporation could be found liable for any violation of law or the extent of any fine, if found to be liable.

The Corporation is conducting an internal review into the allegations by external advisors under the supervision of counsel. The review is still ongoing but based on information known to the Corporation at this time, no irregularity has been found.

Review by the Autorité des marchés financiers (Québec)

In August 2018, following the release by Bombardier of its financial results for the second quarter ended June 30, 2018, Bombardier announced the establishment of an Automatic Securities Disposition Plan (ASDP) allowing for the orderly exercise and sale over a two-year period of vested securities earned by certain senior executives. The purpose of the ASDP (similar to a 10b5-1 plan) was to allow senior executives who would otherwise have limited trading windows to sell securities and realize earned long-term incentive compensation in an orderly manner. Eligible senior executives are those most likely to have restrictions on trading due to trading restrictions under applicable securities laws and Bombardier's internal trading guidelines.

The ASDP was established in accordance with applicable Canadian securities legislation and guidance, at a time when (i) no blackout period was in effect regarding trading in securities of Bombardier, and (ii) participants under the ASDP were not in possession of any material undisclosed information with respect to Bombardier or its securities and, as such, were permitted to trade in securities of Bombardier in accordance with applicable laws and Bombardier's trading policies. Trading did not commence under the ASDP until at least 30 days had elapsed after the ASDP was established.

On November 15, 2018, Bombardier publicly acknowledged the announcement by the Autorité des marchés financiers (Québec) (AMF) confirming that it was reviewing matters surrounding the establishment of the ASDP and subsequent announcements by Bombardier.

Bombardier and its employees (including the participants under the ASDP) fully cooperated with the AMF in its review.

On April 26, 2019, the AMF issued a further press release announcing that it had concluded its review and found that Bombardier and its senior executives participating in the ASDP had not violated or breached securities laws in the context of the establishment of the ASDP. The AMF noted the cooperation and transparency offered by Bombardier throughout its review.

In establishing the ASDP, Bombardier was assisted by external counsel and sought to ensure that the ASDP was based on best practices and sound corporate governance principles and consistent with applicable securities laws and guidance. Nonetheless, in light of the rapid evolution of Bombardier's situation following the establishment of the ASDP, the AMF recommended that Bombardier reconsider the merit of maintaining the ASDP in effect. Further to this

recommendation, the Board of Directors of Bombardier, upon the recommendation of its Human Resources and Compensation Committee, has terminated the ASDP in accordance with its terms.

Class action

On February 15, 2019, the Corporation was served with a Motion for authorization to bring an action pursuant to Section 225.4 of the Québec Securities Act and application for authorization to institute a class action before the Superior Court of Québec in the district of Montréal against Bombardier Inc. and Messrs. Alain Bellemare and John Di Bert (Motion) to claim monetary damages in an unspecified amount in connection with alleged false and misleading representations about the Corporation's business, operations, revenues and free cash flow, including an alleged failure to make timely disclosure of material facts concerning its guidance for 2018. In the class action component of the Motion, the Plaintiff Denis Gauthier seeks to represent all persons and entities who have purchased or acquired Bombardier's securities during the period of August 2, 2018 to November 8, 2018, inclusively and held all or some of these securities until November 8, 2018. Both the action pursuant to the Québec Securities Act and the class action require an authorization from the Court before they can move forward. Until they are authorized, there are no monetary claims pending against the defendants in the context of these Court proceedings.

Bombardier Inc. and Messrs. Bellemare and Di Bert are contesting this Motion. The Corporation's preliminary view at this juncture is that the possibility that these Court proceedings will cause the Corporation to incur material monetary liability appears to be remote.

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for each class of the Corporation's publicly listed securities is Computershare Investor Services Inc. at its principal office in each of the Canadian cities of Montréal, Toronto, Calgary and Vancouver.

MATERIAL CONTRACTS

Other than those contracts entered into during the normal course of business, the only contracts that are material to the Corporation and that were entered into within the fiscal year ended December 31, 2019, or before such year and after January 1, 2002 that are still in effect, and which are required to be filed with Canadian securities regulatory authorities pursuant to applicable securities laws, are as follows:

- a) An agreement dated as of November 18, 2015, between Bombardier and CDPQ, a copy of which was filed on the Corporation's profile on SEDAR (www.sedar.com) on November 25, 2015, as further described in the section entitled "CDPQ investment in BT Holdco" of "Note 10 - Non Controlling Interest" of the Corporation's MD&A, which Note is incorporated by reference into this Annual Information Form; and
- b) An agreement dated as of November 18, 2015, between Bombardier and CDPQ, a copy of which was filed on the Corporation's profile on SEDAR (www.sedar.com) on November 25, 2015, pursuant to which Bombardier and CDPQ agreed to a cash reserve threshold of at least \$1.25 billion. The agreement provides that in the event Bombardier's cash reserves fall below that level, the Board of Bombardier will create a Special Initiatives Committee composed of three independent directors acceptable to CDPQ, and responsible to develop an action plan to restore cash reserves above that threshold. The implementation of the plan, once agreed with CDPQ, will be overseen by the Special Initiatives Committee. In addition, with respect to the nomination of any new independent directors of Bombardier, Bombardier will work collaboratively with CDPQ and seek to obtain CDPQ's agreement on the final candidate(s) recommended to the Board. In connection with this agreement, the Bombardier family has committed to fully support any action plan recommended by the Special Initiatives Committee and agreed to by CDPQ, as well as the new selection process for new independent directors of the Board of Directors.

INTEREST OF EXPERTS

Ernst & Young LLP is the independent auditor who prepared the Auditors' Reports to the shareholders of Bombardier Inc. under Canadian generally accepted auditing standards. Ernst & Young LLP has confirmed to the Corporation that it is independent within the meaning of the Rules of Professional Conduct of the *Ordre des comptables professionnels agréés du Québec*. These rules are equivalent or similar to Rules of Professional Conduct applicable to chartered accountants in the other provinces of Canada.

AUDIT COMMITTEE DISCLOSURE

Audit Committee Information

Diane Giard is the Chair of the Audit Committee, and Martha Finn Brooks, Anthony R. Graham, Pierre Marcouiller and Beatrice Weder di Mauro are its other members. Each of them is independent and financially literate within the meaning of National Instrument 52-110 - Audit Committees.

The Charter of the Audit Committee is reproduced in Schedule 1 attached to this Annual Information Form.

The education and related experience of each of the members of the Audit Committee are described below.

Martha Finn Brooks Ms. Brooks was appointed as a member of the Audit Committee at the meeting of the Board of Directors of the Corporation held on November 1, 2017. She was previously a member of the Audit Committee of the Corporation from 2009 until 2011. Ms. Finn Brooks was, until her retirement in May 2009, President and Chief Operating Officer of Novelis, Inc., a global aluminium rolling company owned by Mumbai-based Hindalco Industries Ltd., which had earlier been spun off by Alcan Inc. in 2005. From 2002 to 2005, she served as Corporate Senior Vice President and President and Chief Executive Officer of Alcan Rolled Products, Americas and Asia. Prior to joining Alcan, she was a Vice President at engine manufacturer Cummins Inc. Ms. Finn Brooks holds a B.A. in economics and political science and an M.B.A. in international business from Yale University. She is a member of the Audit Committee of Constellium SE since June 2016 and was a member of the Audit Committees of Jabil Circuit Inc., International Paper Company, Algeco Scotsman holding S.à.r.l. and Cooperative for Assistance and Relief Everywhere, Inc. (CARE USA).

Diane Giard (Chair) Ms. Giard was appointed Chair of the Audit Committee effective June 5, 2018. She was, from March 2017 until her retirement in June 2018, Executive Vice President, Personal and Commercial Banking and Marketing at the National Bank of Canada. She joined National Bank of Canada in 2011 as Executive Vice President, Marketing and less than a year later became responsible for Personal & Commercial Banking. Ms. Giard has more than 30 years' experience in the banking industry, including several years at the Bank of Nova Scotia (Scotiabank), which she joined in 1982 and where she held various executive positions of increasing responsibility including Senior Vice President of Quebec & Eastern Ontario Region. Ms. Giard has a bachelor's degree in Economics from Université de Montréal and a Master's in Business Administration from Université du Québec à Montréal.

Anthony R. Graham Mr. Graham was appointed as a member of the Audit Committee at the meeting of the Board of Directors of the Corporation held on May 2, 2019. He is Chairman, President and Chief Executive of Sumarria Inc. He served as Vice Chairman of Wittington Investments, Limited from May 2014 to May 2019, after having been its President since 2000. Before joining Wittington Investments, Limited he held senior positions in Canada and the United Kingdom with National Bank Financial Inc. He attended the University of Western Ontario and was awarded an Honorary Doctor of Laws Degree from Brock University. He is a member of the Audit Committee of Graymont Limited and was a member of the Audit Committees of President's Choice Bank, George Weston Limited and Loblaw Companies Limited.

Pierre Marcouiller Mr. Marcouiller was appointed as a member of the Audit Committee at the meeting of the Board of Directors of the Corporation held on May 11, 2017. Mr. Marcouiller has been President of Nexcap Inc. since April 2019, prior to which he was Executive Chairman of the Board of Directors of Camso Inc. since April 2017, after having been its Chairman of the Board of Directors and Chief Executive Officer since 2000. Before joining Camso Inc., he was President and Chief Executive Officer of Venmar Ventilation Inc., a North American leader in air quality products, from 1986 to 1996. Mr. Marcouiller holds a Bachelor's degree in Business Administration from Université du Québec à Trois-Rivières and a Master's in Business Administration from Sherbrooke University. He is an Entrepreneur-Trainer at the École d'Entrepreneurship de Beauce and sits on the Board of Directors of QG100, a private group of 100 Québec business leaders whose goal is to support the emergence of world leaders in their fields.

Beatrice Weder di Mauro Ms. Weder di Mauro was appointed as a member of the Audit Committee at the meeting of the Board of Directors of the Corporation held on April 29, 2016. Ms. Weder di Mauro is a professor of international economics at The Graduate Institute of International and Development Studies since January 2019 and the President of the Center for Economic Policy Research since July 2018. She is also a research professor since 2017 and a distinguished fellow-in-residence since 2015 at INSEAD in Singapore. Previously, she was the Chair of Economic

Policy and International Macroeconomics at the Johannes Gutenberg University of Mainz from 2001 until July 2018. Ms. Weder di Mauro was a member of the German Council of Economic Experts from 2004 to 2012. In 2010, she was a resident scholar at the International Monetary Fund (IMF) in Washington, DC, where she had previously been a visiting scholar in 2006. She was an associate professor of economics at the University of Basel between 1998 and 2001 and a research fellow at the United Nations University in Tokyo from 1997 to 1998. Prior to this, she was an economist at the IMF in Washington, DC. Ms. Weder di Mauro earned her PhD in economics at the University of Basel in 1993 and received her habilitation there in 1999. She is a member of the Audit Committee of UBS AG since 2012 and was a member of the Audit Committee of Roche from 2006 to 2016.

Appointment of Auditors

For each of the financial years ended December 31, 2019 and 2018, Ernst & Young LLP billed the Corporation the following fees for services:

Fees	Fiscal Year Ended	Fiscal Year Ended
	December 31, 2019	December 31, 2018
Audit fees	\$10,228,000	\$12,258,000
Audit related fees	\$2,519,000	\$1,460,000
Tax fees	\$4,853,000	\$5,599,000
All other fees	\$215,000	\$81,000
Total Fees	\$17,815,000	\$19,398,000

In the table above, the terms in the column “Fees” have the following meanings: “Audit fees” refers to all fees incurred with respect to audit services, being the professional services rendered by the Corporation’s independent auditors for the audit of its consolidated annual financial statements and those of its subsidiaries and the review of the Corporation’s quarterly consolidated financial statements as well as services normally provided by the Corporation’s independent auditors in connection with statutory and regulatory filings and engagements; “Audit-related fees” refers to the aggregate fees billed for assurance and related services by the Corporation’s independent auditors that are reasonably related to the performance of the audit or review of its consolidated financial statements and are not reported under “Audit fees” including audits of the Corporation’s employee benefit plans and other attest services, as well as due diligence and other related services; “Tax fees” refers to the aggregate fees billed for professional services rendered by the Corporation’s independent auditors for tax compliance, expatriate and global mobility compliance services, tax advice and tax planning, including the preparation or review of tax returns, transfer pricing documentation and assistance with tax audits, rendered to the Corporation and its many subsidiaries around the world; and “All other fees” refers to the aggregate fees billed for products and services provided by the Corporation’s independent auditors, other than “Audit fees”, “Audit-related fees” and “Tax fees”, consisting primarily of cybersecurity risk assessment services. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the independence of the Corporation’s independent auditors. The Audit Committee has adopted a policy that prohibits the Corporation from engaging its independent auditors for “prohibited” categories of non-audit services and requires pre-approval by such Committee of audit services and other services within certain permissible categories of non-audit services.

ADDITIONAL INFORMATION

Additional information relating to the Corporation, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is contained in the Corporation's management proxy circular for its most recently completed financial year. Additional financial information is provided in the Corporation's financial statements and MD&A for its most recently completed financial year. The above-mentioned documents may be found on SEDAR at www.sedar.com

All information incorporated by reference into this Annual Information Form is contained or included in one of the Corporation's continuous disclosure documents filed with the Canadian securities regulatory authorities which may be viewed on SEDAR at www.sedar.com.

Where a section of this Annual Information Form incorporates by reference information from one of the Corporation's other continuous disclosure documents, such section makes specific reference to the document in which such information is originally contained or included, as well as to the relevant section.

FORWARD-LOOKING STATEMENTS

This Annual Information Form includes forward-looking statements, which may involve, but are not limited to: statements with respect to the Corporation's objectives, anticipations and outlook or guidance in respect of various financial and global metrics and sources of contribution thereto, targets, goals, priorities, market and strategies, financial position, market position, capabilities, competitive strengths, credit ratings, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; expected growth in demand for products and services; growth strategy, including in the business aircraft aftermarket business; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; competitive position; expectations regarding progress and completion of challenging Transportation projects and the release of working capital therefrom within the anticipated timeframe; expectations regarding revenue and backlog mix; the expected impact of the legislative and regulatory environment and legal proceedings on the Corporation's business and operations; strength of capital profile and balance sheet, creditworthiness, available liquidities and capital resources, expected financial requirements and ongoing review of strategic and financial alternatives; the introduction of productivity enhancements, operational efficiencies and restructuring initiatives and anticipated costs, intended benefits and timing thereof; the expected objectives and financial targets underlying the Corporation's transformation plan and the timing and progress in execution thereof, including the anticipated business transition to growth cycle and cash generation; expectations and objectives regarding debt repayments and refinancing of bank facilities and maturities; and intentions and objectives for the Corporation's programs, assets and operations. As it relates to the pursuit of a divestiture of the Corporation's operations in Belfast and Morocco and the sale of the CRJ aircraft program (collectively, the Pending Transactions), this Annual Information Form also contains forward-looking statements with respect to: the expected terms, conditions, and timing for completion thereof; the respective anticipated proceeds and use thereof and/or consideration therefor, related costs and expenses, as well as the anticipated benefits of such transactions and their expected impact on the Corporation's outlook, guidance and targets, operations, infrastructure, opportunities, financial condition, business plan and overall strategy; and the fact that closing of these transactions will be conditioned on certain events occurring, including the receipt of necessary regulatory approvals.

Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "shall", "can", "expect", "estimate", "intend", "anticipate", "plan", "foresee", "believe", "continue", "maintain" or "align", the negative of these terms, variations of them or similar terminology. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of the Corporation's current objectives, strategic priorities, expectations, outlook and plans, and in obtaining a better understanding of its business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

By their nature, forward-looking statements require the Corporation to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause the Corporation's actual results in future periods to differ materially from forecast results set forth in forward-looking statements. While the Corporation considers these assumptions to be reasonable and appropriate based on information currently available, there is risk that they may not be accurate. The assumptions underlying the forward-looking statements made in this Annual Information Form in relation to the Pending Transactions discussed herein include the following material assumptions: the satisfaction of all closing conditions (including receipt of regulatory approvals on acceptable terms within commonly experienced time frames; and successful completion of such transactions within the anticipated timeframe, the realization of the intended benefits therefrom (including receipt of expected proceeds) within the anticipated timeframe. For additional information, including with respect to the other assumptions underlying the forward-looking statements made in this Annual Information Form, refer to the Strategic Priorities and Guidance and forward-looking statements sections in each reportable segment in the MD&A which may be viewed on SEDAR at www.sedar.com.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, risks associated with general economic conditions, risks associated with the Corporation's business environment (such as risks associated with "Brexit", the financial condition of the airline industry, business aircraft customers, and the rail industry; trade policy; increased competition; political instability and force majeure events or global climate change), operational risks (such as risks related to developing new products and services; development of new business and awarding of new contracts; book-to-bill ratio and order backlog; the certification and homologation of products and services; fixed-price and fixed-term commitments and production and project execution, including challenges associated with challenging Transportation projects and the risk that actions

and initiatives undertaken by Transportation to move forward and complete such projects may not be successful, and the intended outcome and release of working capital therefrom not being realized, within the timeframe anticipated or at all; pressures on cash flows and capital expenditures based on project-cycle fluctuations and seasonality; risks associated with the Corporation's ability to successfully implement and execute its strategy, transformation plan, productivity enhancements, operational efficiencies and restructuring initiatives; doing business with partners; inadequacy of cash planning and management and project funding; product performance warranty and casualty claim losses; regulatory and legal proceedings; environmental, health and safety risks; dependence on certain customers, contracts and suppliers; supply chain risks; human resources; reliance on information systems; reliance on and protection of intellectual property rights; reputation risks; risk management; tax matters; and adequacy of insurance coverage), financing risks (such as risks related to liquidity and access to capital markets; retirement benefit plan risk; exposure to credit risk; substantial existing debt and interest payment requirements; certain restrictive debt covenants and minimum cash levels; financing support provided for the benefit of certain customers; and reliance on government support), market risks (such as risks related to foreign currency fluctuations; changing interest rates; decreases in residual values; increases in commodity prices; and inflation rate fluctuations). For more details, see the Risks and uncertainties section in Other in the MD&A which may be viewed on SEDAR at www.sedar.com. With respect to the Pending Transactions discussed herein specifically, certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: the failure to receive or delay in receiving regulatory approvals on acceptable terms or at all, or otherwise satisfy the conditions to the completion of these transactions or delay in completing, and uncertainty regarding the length of time required to complete, such transactions, and all or part of the intended benefits therefrom not being realized and the anticipated proceeds therefrom not being available to Bombardier within the anticipated timeframe, or at all; and alternate sources of funding that would be used to replace the anticipated proceeds from such transactions may not be available when needed, or on desirable terms. For more details, see the Risks and uncertainties section in Other in the MD&A which may be viewed on SEDAR at www.sedar.com.

Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. Other risks and uncertainties not presently known to the Corporation or that the Corporation presently believes are not material could also cause actual results or events to differ materially from those expressed or implied in the Corporation's forward-looking statements. The forward-looking statements set forth herein reflect the Corporation's expectations as at the date of this Annual Information Form and are subject to change after such date. Unless otherwise required by applicable securities laws, the Corporation expressly disclaims any intention, and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement.

SCHEDULE 1

CHARTER OF THE AUDIT COMMITTEE

BOMBARDIER INC.

Audit Committee

1.1 Membership and Quorum

- A minimum of four directors who shall all be independent.
- All the members of the Audit Committee shall be financially literate or shall become financially literate within a reasonable period of time after their appointment to the Audit Committee; a member of the Audit Committee is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Bombardier's financial statements.
- Quorum: a majority of the members.

1.2 Frequency and Timing of Meetings

- normally, in conjunction with Bombardier Board meetings.
- at least four times a year and as necessary.

1.3 Chairman of the Audit Committee

One of the members of the Audit Committee shall act as its Chairman. The responsibilities of the Chairman of the Audit Committee include the following:

A. Providing leadership to enhance the Audit Committee's effectiveness

- ensuring that the Audit Committee works as a cohesive team and providing the leadership essential to achieve this;
- ensuring that the resources available to the Audit Committee (in particular timely and relevant information) are adequate to support its work.

B. Managing the Audit Committee

- Setting the agenda of the Audit Committee, in consultation with the Senior Vice President and Chief Financial Officer, and prior to the meeting of the Audit Committee, circulating the agenda to the members of the Audit Committee;
- Adopting procedures to ensure that the Audit Committee can conduct its work effectively and efficiently, overseeing the Audit Committee structure and composition, scheduling and management of meetings;
- Ensuring that the conduct of the Audit Committee meetings provides adequate time for serious discussion of relevant issues;
- Ensuring that the outcome of the meeting of the Audit Committee and any material matters reviewed at such meeting are reported to the Board at its next regular meeting.

1.4 Mandate of the Audit Committee

A. Purpose

The Audit Committee is a Committee of the Board formed to assist it in overseeing the financial reporting process.

B. Objectives

The objectives of the Audit Committee are :

- to help the directors meet their responsibilities with respect to accountability;
- to assist in maintaining good communication between the directors and the independent auditor;
- to assist in maintaining the independent auditor's independence;
- with the assistance of the Senior Vice President and Chief Financial Officer, to ensure that an appropriate system of internal accounting and financial controls is maintained in view of the major business risks facing Bombardier;
- to maintain the credibility and objectivity of financial reports;
- to investigate and assess any issue that raises significant concern to the Audit Committee, with the assistance, if so required by the Audit Committee, of the Senior Director, Corporate Audit Services and Risk Assessment, and/or the independent auditor.

C. Meetings

- Any member of the Audit Committee or the independent auditor or the Senior Director, Corporate Audit Services and Risk Assessment may request a meeting of the Committee.
- The Chairman of the Board, the President and Chief Executive Officer, and the Senior Vice President and Chief Financial Officer shall attend all meetings of the Audit Committee, except such part of the meeting, if any, which is a private session not involving all or some of these officers as determined by the Audit Committee.
- The President and Chief Executive Officer may, at his option, only attend that part of the meeting of the Audit Committee during which the quarterly or annual, as the case may be, consolidated financial statements of Bombardier, the related management's discussion and analysis and the press release to be issued on the consolidated financial statements are reviewed by the Audit Committee members.
- The Senior Director, Corporate Audit Services and Risk Assessment shall have direct access to the Audit Committee and shall receive notice of and attend all meetings of the Audit Committee, except such part of the meeting, if any, which is a private session not involving him.
- The independent auditor shall have direct access to the Audit Committee and shall receive notice of and have the right to attend all meetings of the Audit Committee, except such part of the meeting, if any, which is a private session not involving him.
- The President and Chief Executive Officer, the Senior Vice President and Chief Financial Officer, the Senior Director, Corporate Audit Services and Risk Assessment or any other representative of management whose presence is requested by the Chairman of the Audit Committee or any of the Audit Committee members, and the independent auditor shall meet separately with the Audit Committee, in a private session held during the course of a meeting, at least once annually.
- Minutes of the meetings of the Audit Committee shall be kept by the Corporate Secretary. Supporting documents reviewed by the Audit Committee shall be kept by the Corporate Secretary. A copy of the minutes of any meeting or of any supporting document shall be made available for examination by any director of Bombardier upon request to the Corporate Secretary.

D. Duties and Responsibilities

- As they relate to the Board and financial reporting
 - a) Assist the Board in the discharge of its oversight responsibilities to the shareholders, potential shareholders, the investment community, and others relating to Bombardier's financial statements and its financial reporting practices and the system of internal accounting and financial controls, the corporate audit and risk assessment function, the management information systems, the annual external audit of Bombardier's financial statements and the compliance by Bombardier with laws and regulations and its own Code of Ethics and Business Conduct.
 - b) Maintain a free and open line of communication with the management of Bombardier, the Senior Director, Corporate Audit Services and Risk Assessment and the independent auditor.
 - c) Review, before their disclosure, Bombardier's quarterly consolidated financial statements, the related management's discussion and analysis and the press release on the quarterly financial results and, if appropriate, recommend to the Board their approval and disclosure.

- d) Review, before their disclosure, Bombardier's annual audited consolidated financial statements, the related management's discussion and analysis, and the press release on the annual consolidated financial results and, if appropriate, recommend to the Board their approval and disclosure.
 - e) Review the presentation and impact of significant, unusual or sensitive matters such as disclosure of related party transactions, significant non-recurring events, significant risks and changes in provisions, estimates or reserves included in any financial statements.
 - f) Obtain explanations for communication to the Board for all significant variances between comparable reporting periods.
 - g) Review any litigation, claim or other contingency, including tax assessments and environmental situations, that could have a material adverse effect upon the financial position or operating results of Bombardier, and the manner in which these matters are disclosed in the financial statements.
 - h) Review the appropriateness of the accounting policies used in the preparation of Bombardier's financial statements, and consider recommendations for any material change to such policies.
 - i) To the extent not previously reviewed by the Audit Committee, review and, if appropriate, recommend to the Board the approval of all financial statements included in the prospectus and other offering memoranda and all other financial reports required by regulatory authorities and requiring approval by the Board.
 - j) Review the statement of management's responsibility for the financial statements as signed by the management of Bombardier and included in any published document.
 - k) Ensure that adequate procedures are in place for the review of Bombardier's public disclosure of financial information extracted or derived from Bombardier's financial statements, other than the public disclosure referred to in paragraph c) or d) above, and periodically assess the adequacy of those procedures.
 - l) Ensure that procedures are in place for
 - (i) the receipt, retention and treatment of complaints received by Bombardier regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of Bombardier of concerns regarding questionable accounting or auditing matters.
 - m) Where there is to be a change of independent auditor, review all issues related to the change, including any differences between Bombardier and the independent auditor that relate to the independent auditor's opinion or a qualification thereof or an independent auditor's comment.
 - n) Monitor the application of, and, if need be, review and make appropriate recommendations to management in order to update the Corporate Disclosure Policy of Bombardier.
- As they relate to the independent auditor
 - a) Explicitly affirm that the independent auditor is independent and accountable to the Board and the Audit Committee, and in that context, work constructively with the independent auditor to build an effective relationship that allow for full, frank and timely discussion of all material issues, with or without management as appropriate in the circumstances.
 - b) Recommend to the Board a firm of independent auditors for submission to the shareholders of Bombardier.
 - c) Review and make recommendations to the Board with respect to the fees payable for the external audit.
 - d) For each fiscal year, in accordance with the terms and conditions of the then current Audit and Non-Audit Services Pre-Approval Policy adopted by the Audit Committee, review and approve the terms of the independent auditor's (i) annual audit services engagement letter and (ii) the quarterly review services engagement letter; each of these letters shall be signed by the Chairman of the Audit Committee.
 - e) For each fiscal year, in accordance with the terms and conditions of the then current Audit and Non-Audit Services Pre-Approval Policy adopted by the Audit Committee, review and approve the scope of the (i) annual audit and of other audit related services and (ii) the quarterly review services to be rendered by the independent auditor; in that context, ensure that the independent auditor has access to all books, records, facilities and personnel of Bombardier.

- f) Review with the independent auditor the contents of its report with respect to the annual consolidated financial statements of Bombardier and the results of the external audit, any significant problems encountered in performing the external audit, any significant recommendations further to the external audit and management's response and follow-up in that context and ensure that the independent auditor is satisfied that the accounting estimates and judgments made by management's selection of accounting principles reflect an appropriate application of generally accepted accounting principles.
 - g) Review any significant recommendations by the independent auditor to strengthen the internal accounting and financial controls of Bombardier.
 - h) Review any unresolved significant issues between management and the independent auditor that could affect the financial reporting or internal controls of Bombardier.
 - i) To the extent practicable, assess the performance of the independent auditor at least once a year.
 - j) Ensure that the independent auditor shall not provide the following services to Bombardier:
 - bookkeeping or other services related to the accounting records or financial statements of Bombardier;
 - financial information systems design and implementation;
 - appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
 - actuarial services;
 - internal audit outsourcing services;
 - management functions;
 - human resources;
 - broker or dealer, investment adviser, or investment banking services;
 - legal services; and
 - expert services unrelated to the audit.
 - k) All non-audit services shall require the prior approval of the Audit Committee in accordance with the terms and conditions of the then current Audit and Non-Audit Services Pre-Approval Policy adopted by the Audit Committee.
 - l) Review and approve Bombardier's hiring policies regarding partners, employees and former partners and employees of the present and former independent auditor of Bombardier.
- As they relate to the Senior Director, Corporate Audit Services and Risk Assessment
 - a) At least four times a year, in conjunction with Bombardier Board meetings, review the report of the Senior Director, Corporate Audit Services and Risk Assessment on the results of the work that the Corporate Audit Services and Risk Assessment function has performed and with respect to its organization, staffing, and independence.
 - b) Review and, if appropriate, approve the annual Corporate Audit Services and Risk Assessment plan.
 - c) Assess the Corporate Audit Services and Risk Assessment reporting lines and make such recommendations as are necessary to preserve the independence of the Senior Director, Corporate Audit Services and Risk Assessment.
 - d) Review significant Corporate Audit Services and Risk Assessment findings and recommendations and management's responses thereto.
 - e) Once a year, assess the performance of the Senior Director, Corporate Audit Services and Risk Assessment, and if the circumstances so warrant, review and recommend the removal of the then current incumbent and the appointment of his successor and report the findings and conclusions of the Audit Committee to the Human Resources and Compensation Committee and the President and Chief Executive Officer of the Corporation.
 - f) Once a year, review the terms of the charter of the Corporate Audit Services and Risk Assessment to ensure that they continue to be relevant and, if need be, make any appropriate modifications thereto.
 - As they relate to the Audit Committee's terms of reference

Each year, review the Charter of the Audit Committee in order to ensure that it continues to be relevant and make recommendations to the Corporate Governance and Nominating Committee regarding its responsibilities therein.

1.5 Miscellaneous

If required, the Audit Committee may obtain advice and assistance from outside legal, accounting or other advisors, and is provided with the appropriate funding for payment of the independent auditors and any advisors retained by it.

While the Audit Committee has the responsibilities and powers set forth in this mandate, it is not the duty of the Audit Committee to plan or conduct audits or to determine that Bombardier's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Such matters are the responsibility of management, the Senior Director, Corporate Audit Services and Risk Assessment and the independent auditor.

Nothing contained in the above mandate is intended to transfer to the Audit Committee the Board's responsibility to ensure Bombardier's compliance with applicable laws or regulations or to expand applicable standards of liability under statutory or regulatory requirements for the directors or the members of the Audit Committee.