

HUMAN RESOURCES AND COMPENSATION COMMITTEE CHARTER

1. MEMBERSHIP AND QUORUM

The Human Resources and Compensation Committee (the “Committee”) shall be comprised of three or more directors who shall all be outsiders, unrelated and independent. One of the members of the Committee, appointed by the Board of Directors (the “Board”), shall act as Chairman. Members of the Committee should have experience that is relevant in Human Resources namely executive compensation, and skills and experience that enable the Committee to make decisions on the suitability of compensation policies and practices.

A quorum shall be a majority of the Committee members. All decisions and recommendations made by the Committee shall be made by a majority vote.

2. MEETINGS

The Committee will meet at least three times per year, or more frequently, if required for the Committee to fulfill its responsibilities. Meetings are normally held in conjunction with Bombardier Board meetings.

The Senior Vice President, Human Resources shall attend all meetings, except such part of the meetings for which the Committee determines that his presence is not required.

3. CHAIRMAN

The Chairman of the Committee shall:

- a) In consultation with the Senior Vice President, Human Resources, review the annual work plan while setting the agenda of the Committee to ensure that all required business is brought before the Committee. Circulate the agenda to the members of the Committee prior to the meetings. Ensure that the conduct of the Committee’s meetings provides adequate time for discussion of relevant issues.
- b) Oversee the Committee’s structure and composition and ensure that the Committee has procedures in place and access to all relevant and adequate information it requires to conduct and support its work effectively and efficiently.
- c) Provide the leadership to enable the Committee to act effectively in carrying out its duties and responsibilities, while working as a cohesive team.
- d) Ensuring that the outcome of the meetings of the Committee and any material matters reviewed at such meetings are reported to the Board at its next regular meeting.
- e) Attend annual shareholder meetings and respond directly to any questions shareholders may have on executive compensation. In the Chairman’s absence, he shall delegate another member of the Committee to attend such meetings on his behalf.

4. MANDATE

4.1 Compensation

Compensation issues under the Committee's responsibilities are divided into three categories as defined below :

Committee and Board Responsibilities as defined in Appendix A

- Terms and conditions for appointments, promotions and/or terminations.
- Performance assessments.
- Total compensation, including base salary increases, short-term incentive targets and the granting of long-term incentives.

Committee Reviews & Recommends for Board Approval

- Introduction of new compensation plans namely, special equity based incentive plans.
- Modifications to existing compensation plans, such as Performance Share Unit Plan, Deferred Share Unit Plan and Stock Option Plan.
- Assessment of the performance of the President and Chief Executive Officer against his objectives set at the beginning of each fiscal year and in light of such factors as the Committee deems appropriate and in the best interests of Bombardier.
- Executive compensation disclosure and analysis for inclusion in Bombardier's management proxy circular.

Committee Approves & Reports to the Board for Information

- Total compensation policy that takes into consideration (i) base salary, (ii) short-term incentive, (iii) long-term incentives and (iv) retirement benefits.
- Global salary budgets for non-regulated employees.
- Short-term incentive plan designs, including key performance indicators and targets, and the assessment of the actual results compared with the pre-established targets to determine the quantum of the payout.
- Provisions of equity based plans such as Performance Share Unit and Deferred Share Unit Plans, and Stock Option Plans.
- Performance measures, targets and vesting for Performance Share Unit and Deferred Share Unit Plans.
- Stock Ownership Guidelines and target progress.
- Composition of the comparator group for the benchmarking of senior executives positions to ensure its relevance.
- Review and assessment of compensation and incentive plan risks.

4.2 Succession

The Committee ensures that appropriate mechanisms are in place with regards to succession planning and that assessments in that respect are presented to the Board for (i) the President and Chief Executive Officer, (ii) Presidents reporting to the CEO, (iii) Senior Vice Presidents reporting to the CEO and (iv) Vice Presidents reporting to the CEO.

4.3 Pension

The Committee oversees modifications to Bombardier's pension plans, as per one of the following categories:

- 1 - committee reviews and recommends for Board approval
- 2 - committee approves and reports to the Board for information
- 3 - committee is informed
- 4 - delegated to management

Pension modifications are allocated to one of the four categories above based on their strategic importance, based on the following criteria:

- a) defined benefit or defined contribution plans,
- b) cost impact for pension plan changes,
- c) market positioning for pension plan changes,
- d) pension risk reduction initiatives, as reviewed by the Financial and Risk Management Committee
- e) changes being made to reflect new collective bargaining agreements, to comply with new legislation or to improve plan administration.

The pension governance matrix is provided in Appendix B and the applicable definitions are listed in Appendix C.

4.4 Other

- a) The Committee reviews quarterly reports on occupational health and safety matters and reports to the Board on these matters.
- b) The Committee reviews a 12-month consolidated Ethics and Compliance activity report on Human Resources issues.
- c) The Committee ensures, via the Human Resources Dashboard, that appropriate human resources policies, procedures, practices and systems such as hiring policies, competency profiles, training policies and compensation structures, including retirement benefits, are in place so that Bombardier can attract, motivate and retain the qualified personnel required to meet its business objectives.
- d) The Committee ensures that monitoring is in place regarding social issues such as employment equity, harassment and discrimination, and ensures compliance with Bombardier's Policy Regarding Diversity.

- e) Without limiting the generality of the foregoing, on a periodic basis, the Committee:
- assesses the effectiveness of the appointment process for management positions at achieving Bombardier diversity objectives;
 - measures the annual and cumulative progress in achieving its gender diversity targets; and
 - monitors the implementation of Bombardier's Policy Regarding Diversity.

5. INDEPENDENT CONSULTANTS

The Committee retains independent consultants to advise on total compensation policy matters, including fixing such consultants' fees and other terms and conditions.

6. MISCELLANEOUS

The Committee shall conduct an annual review and assessment of its performance and effectiveness, including a review of the relevance of its mandate as stated in this Charter, and report the results to the Board's Corporate Governance and Nominating Committee.

Nothing contained in the above mandate is intended to transfer to the Human Resources and Compensation Committee the Board 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 Human Resources and Compensation Committee.

Appendix A – HRCC Responsibilities with Respect to Senior Executives

- 1 - Committee Reviews and Recommends for Board Approval
- 2 - Committee Approves and Reports to the Board for Information
- 3 - Committee is Informed
- 4 - Delegated to Management

	President and Chief Executive Officer	Presidents, Senior Vice Presidents and Vice Presidents Reporting to the CEO	Presidents of Regions and Global Business Units ⁽¹⁾	Other Leadership Team Members
Appointment, Promotion and/or Termination	1	2	3	4
• Terms and Conditions				
Performance Assessment	1	4	4	4
Total Compensation ⁽²⁾	1	2	3	4

⁽¹⁾ Including any key positions as identified by Management or the Committee.

⁽²⁾ Including Short-term Incentive targets, Long-term Incentive Plan grants.

Appendix B – Pension Governance Matrix

- 1 - Committee Reviews and Recommends for Board Approval
- 2 - Committee Approves and Reports to the Board for Information
- 3 - Committee is Informed
- 4 - Delegated to Management

Type of Change	Defined Benefit	Defined Contribution
Significant pension change • Impacting a large plan member population and with a high financial impact	1	2
Changes to executive pension plans • Above market median or high financial impact • Medium or low financial impact	1 2	1 2
Creation of a new pension plan	2	2
Changes to salaried employees' pension plans • Above market median or high financial impact • Medium financial impact • Low financial impact	2 3 4	2 4 4
Pension risk reduction initiatives as reviewed by the Financial and Risk Management Committee	3	3
Reflect collective bargaining agreements negotiated with unions	3	3
Change to align with new legislation, change in administration practices and other low financial impact changes	4	4

Appendix C – Pension Governance Definitions

Defined Benefit Pension Plan

A pension plan sponsored by Bombardier, in any country, that is accounted for as a Defined Benefit Pension Plan under IFRS accounting rules in Bombardier’s financial statements. This excludes non-pension plans such as Other Post-Employment Benefits (OPEB), Termination Indemnities or Jubilee Benefits.

Defined Contribution Pension Plan

A pension plan sponsored by Bombardier, in any country, that is accounted for as a Defined Contribution Pension Plan under IFRS accounting rules in Bombardier’s financial statements.

Financial Impact is defined between Low, Medium and High as follows:

Criteria	Low Impact	Medium Impact	High Impact
Increase in either of:			
• Accounting obligation for past services		Between	
• Accounting cost over next 12 months	Below	USD 5 Million	Above
• Funding obligation for past services	USD 5 Million	and	USD 25 Million
• Funding cost over next 12 months		USD 25 Million	

Market Median

- Median of employer DC contribution or employer DB service cost,
- For a representative employee of Bombardier in the relevant country,
- Amongst surveyed companies in the relevant country with which Bombardier competes for labor.

Delegation to Management

Delegated to the Head of Total Rewards and as approved by the Senior Vice President, Human Resources.