

Form 51-102F3

Material Change Report

Certain statements in this material change report constitute forward-looking statements. Readers should refer to the cautionary notice regarding forward-looking statements that appears at the end of this report.

Item 1 Name and Address of Company

Bombardier Inc.
29th Floor
800 René-Lévesque Blvd. West
Montréal, Québec H3B 1Y8

Item 2 Date of Material Change

March 31, 2017 and April 2, 2017.

Item 3 News Releases

Two separate press releases were issued by Bombardier Inc. (**Bombardier** or the **Corporation**) on March 31, 2017 and April 2, 2017.

Item 4 Summary of Material Change

On March 31, 2017, Bombardier announced that its Executive Chairman, Mr. Pierre Beaudoin, requested that the Board of Directors of Bombardier (the **Board of Directors**) reset his compensation for 2016 to equal that of 2015, resulting in a reduction of US\$1,404,600.

In addition, on April 2, 2017, Bombardier announced that Mr. Alain Bellemare, its President and Chief Executive Officer, requested that the Board of Directors defer until 2020 the payment of more than half of the total projected 2016 compensation for Bombardier's six named executive officers, five of whom were appointed in 2015. 2016 marks the first full year of compensation for these five named executive officers as 2015 compensation covered only part of the year.

The payment of a significant portion of the projected 2016 compensation is contingent upon the achievement of certain financial performance targets and in the event such financial performance targets are not met, no payment will be made to such named executive officers with respect to such projected compensation.

Item 5.1 Full Description of Material Change

A) On March 31, 2017, Bombardier announced that its Executive Chairman, Mr. Pierre Beaudoin, requested that the Board of Directors reset his compensation for 2016 to equal that of 2015. This proposal was accepted and approved by the Board of Directors, upon the recommendation of the Corporate Governance and Nominating Committee (the **CGNC**), resulting in an overall reduction of 26.7% in Mr. Beaudoin's total compensation when compared with the total compensation initially recommended by the CGNC and approved by the Board of Directors for Mr. Beaudoin in respect of the financial year ended December 31, 2016. Specifically, Mr. Beaudoin's 2016 total compensation was reduced as follows, effective March 31, 2017:

- his annual incentive plan payout (as shown in Tables B.1 and B.4 on pages 47 and 51, respectively, of Bombardier's Management Proxy Circular prepared in connection with its annual meeting of shareholders to be held on May 11, 2017, as filed under Bombardier's profile on SEDAR (www.sedar.com) on March 29, 2017 (the **Circular**)) was reduced by US\$100,000 (from US\$943,600 to US\$843,600);

- the fair value of stock options granted to him on August 12, 2016 (as shown in Table B.1 on page 47 of the Circular) was reduced by US\$652,300 (from US\$1,545,000 to US\$892,700), with a reduction in the corresponding number of stock options (as shown in Table B.2 on page 49 of the Circular) from 2,384,643 to 1,377,845 stock options; and
- the fair value of performance share units (**PSUs**) granted to him on August 12, 2016 (as shown in Table B.1 on page 47 of the Circular) was reduced by US\$652,300 (from US\$1,545,000 to US\$892,700), with a reduction in the corresponding number of PSUs (as shown in Table B.2 on page 49 of the Circular) from 1,015,228 to 586,598 PSUs.

These adjustments represent a decrease of US\$1,404,600 of his 2016 total compensation which now amounts to US\$3,846,900, being an amount equal to his 2015 total compensation.

- B) In addition, on April 2, 2017, Bombardier announced that Mr. Alain Bellemare, its President and Chief Executive Officer, requested that the Board of Directors defer until 2020 the payment of more than half of the total projected 2016 compensation for Bombardier's six named executive officers, five of whom were appointed in 2015. 2016 marks the first full year of compensation for these five named executive officers as 2015 compensation covered only part of the year.

The adjustments described below have the effect of deferring by one year the potential payment of more than half of the total projected 2016 compensation for Bombardier's six named executive officers and further aligning the compensation of these executive officers with the longer term financial performance of Bombardier through the use of an extended performance period. In particular, payment of any amounts upon the vesting of PSU's remains contingent upon the achievement of certain financial performance targets and in the event financial performance targets are not met, holders of PSUs may realize no value upon the vesting or termination of such PSUs.

To reflect the foregoing, each of Pierre Beaudoin, Alain Bellemare, John Di Bert, David Coleal, Frederick Cromer and Laurent Troger voluntarily waived their right to exercise the stock options respectively granted to them in August 2016 prior to the fourth anniversary of their date of grant (notwithstanding the three-year vesting schedule set out in their respective grant agreements and in Bombardier's Stock Option Plan).

The Board of Directors accepted and acknowledged the foregoing waivers, and accepted and approved, upon the recommendation of the CGNC and the Human Resources and Compensation Committee, the President and Chief Executive Officer's compensation deferral proposal by postponing to 2020 the vesting date and amending and replacing the performance indicators and vesting schedule of the PSUs granted on August 12, 2016 to the Executive Chairman and the other named executive officers. Accordingly, the performance indicators applicable to these PSUs (which will be evaluated in 2020 upon completion of the revised vesting schedule for these grants) have been adjusted from the performance indicators for such PSU's listed in Table A.1.1 on page 34 of the Circular and on page 39 of the Circular to ensure further alignment with the Corporation's strategic turnaround plan, as follows:

- Aerospace: Cumulative EBIT¹ (for the period from 2016 to 2019), EBIT in 2019, Cumulative FCF² (for the period from 2016 to 2019), and FCF in 2019;
- Corporate Office and Transportation: Cumulative EBIT (for the period from 2016 to 2019), EBIT in 2019, cash at 2019 financial year-end, and FCF in 2019.

¹ Earnings before financing expense, financing income and income taxes, before special items, intercompany management, guarantee and stewardship fees and corporate expenses allocation.

² Free cash flow, before interest and taxes, intercompany management, guarantee and stewardship fees. For business segments of Aerospace, excluding the accounts receivable, payable intercompany transfers and corporate free cash flow allocation.

Financial performance targets will be established by the Board of Directors and Human Resources and Compensation Committee to reflect the extension to 2019 of the underlying performance indicators applicable to such PSUs, as described above.

The compensation decisions and actions referred to herein further demonstrate the long-term commitment of the senior executive team to the successful transformation of Bombardier.

In connection with the annual meeting of shareholders of Bombardier to be held on May 11, 2017, Bombardier may engage proxy solicitation agents or other third parties for the purpose of soliciting proxies and otherwise communicating with shareholders with respect to the matters described in the Circular to be discussed at the meeting, including the matters described in this material change report. Such solicitations of proxies or other communication may be by mail, by newspaper publication, in person or by telephone, fax or electronic communication. Fees, if any, incurred by Bombardier with respect to such solicitation or communication activities are expected to be immaterial and will be borne by Bombardier.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For any inquiries with respect to this material change report, please contact Simon Letendre, Senior Advisor, Media Relations and Public Affairs at (514) 861-9481.

Item 9 Date of Report

April 10, 2017.

Forward-looking statements

This report includes forward-looking statements, which may involve, but are not limited to: statements with respect to the Corporation's objectives, guidance, targets, goals, priorities, market and strategies, financial position, 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; 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; the expected impact of the legislative and regulatory environment and legal proceedings on the Corporation's business and operations; available liquidities and ongoing review of strategic and financial alternatives; the impact and expected benefits of the investment by the Government of Québec in the C Series Aircraft Limited Partnership and of the private placement of a minority stake in Transportation by the Caisse de dépôt et placement du Québec on the Corporation's operations, infrastructure, opportunities, financial condition, access to capital and overall strategy; and the impact of such investments on the Corporation's balance sheet and liquidity position.

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. By their nature, forward-looking statements require management 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 management considers

their assumptions to be reasonable and appropriate based on information currently available, there is risk that they may not be accurate.

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 the financial condition of the airline industry, business aircraft customers, and the rail industry; trade policy; increased competition; political instability and force majeure), operational risks (such as risks related to developing new products and services; development of new business; the certification and homologation of products and services; fixed-price and fixed-term commitments and production and project execution; pressures on cash flows based on project-cycle fluctuations and seasonality; the Corporation's ability to successfully implement and execute its strategy and transformation plan; doing business with partners; product performance warranty and casualty claim losses; regulatory and legal proceedings; the environment; dependence on certain customers and suppliers; human resources; reliance on information systems; reliance on and protection of intellectual property rights; 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 Corporation's Management's Discussion and Analysis included in its financial report for the fiscal year ended December 31, 2016 which may be viewed on SEDAR at www.sedar.com (the "MD&A"). For more information with respect to the assumptions underlying the forward-looking statements made in this report, refer to the Guidance and forward-looking statements sections in Overview, Business Aircraft, Commercial Aircraft, Aerostructures and Engineering Services and Transportation in the MD&A.

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. The forward-looking statements set forth herein reflect the Corporation's expectations as at the date of this report 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 report are expressly qualified by this cautionary statement.