



BOMBARDIER

- **Notice of Annual and Special Meeting of Shareholders**
- **Management Proxy Circular**

2003

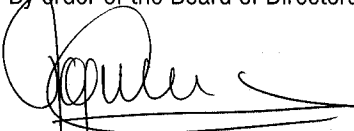
BOMBARDIER INC.

Notice of Annual and Special Meeting of Shareholders 2003

Date: Tuesday, June 10, 2003
Time: 10:00 a.m. (Montréal time)
Place: International Civil Aviation
Organization
999 University Street
Montréal,
Province of Québec,
Canada

The holders of Class A shares (multiple voting) and/or Class B shares (subordinate voting) of Bombardier Inc. whose names appear on the list of shareholders of Bombardier Inc. on Wednesday, May 7, 2003, at 5:00 p.m. (Montréal time) will be entitled to receive this notice of the meeting of shareholders and to vote at the meeting.

By order of the Board of Directors,



Roger Carle
Corporate Secretary

Montréal, May 13, 2003

Business on the agenda of the meeting:

1. Receiving the consolidated financial statements of Bombardier Inc. for the year ended January 31, 2003, and the Auditors' report thereon;
2. Electing the Directors of Bombardier Inc.;
3. Appointing the Auditors of Bombardier Inc. and authorizing the Directors of Bombardier Inc. to fix their remuneration;
4. Considering and, if deemed advisable, adopting a Special Resolution (the translation of the full text of which is reproduced as Exhibit "B" to the accompanying Management Proxy Circular) authorizing Bombardier Inc. to apply for a Certificate of Amendment under the *Canada Business Corporations Act* by increasing the number of Class A shares (multiple voting) and Class B shares (subordinate voting) which may be issued by Bombardier Inc. from 1,792,000,000 to 1,892,000,000;
5. Considering and, if deemed advisable, adopting a Special Resolution (the translation of the full text of which is reproduced as Exhibit "C" to the accompanying Management Proxy Circular) authorizing Bombardier Inc. to apply for a Certificate of Amendment under the *Canada Business Corporations Act* to amend the Articles of the Corporation to add a provision to the effect that the Directors will be authorized to appoint up to two additional Directors from time to time; and
6. Considering such other business as may properly come before the meeting.

Shareholders are entitled to vote at the meeting either in person or by proxy. Any registered shareholder wishing to vote by proxy has to complete the accompanying form of proxy and to return it either in the envelope provided for this purpose or by fax to the transfer agent for all the shares of Bombardier Inc., Computershare Trust Company of Canada, no later than 4:00 p.m. (Montréal time) on Monday, June 9, 2003. Registered shareholders may also submit a proxy by telephone or over the Internet, by following the instructions provided for in the Management Proxy Circular. Non-registered shareholders should refer to pages 4 and 5 of the Management Proxy Circular for information on how to submit a proxy.

Management Proxy Circular 2003

This Management Proxy Circular is provided in connection with the solicitation by the Management of Bombardier Inc. (the "Corporation") of proxies for use at the Annual and Special Meeting of the Holders of Class A shares (multiple voting) (the "Class A shares") and/or Class B shares (subordinate voting) (the "Class B subordinate shares") of the Corporation to be held on Tuesday, June 10, 2003, at 10:00 o'clock in the morning (Montréal time) on the premises of the International Civil Aviation Organization (ICAO), located at 999 University Street, Montréal, Province of Québec, Canada, and at any and all adjournments thereof.

Section 1 : Voting Information

Who is soliciting my proxy?

The Management of the Corporation is soliciting your proxy for use at the Annual and Special Meeting of the holders of Class A shares and/or Class B subordinate shares of the Corporation.

What will I be voting on?

Holders of Class A shares and/or Class B subordinate shares will be voting on :

- the election of the Directors of the Corporation (see pages 5 to 7);
- the appointment of Ernst & Young, LLP, chartered accountants, as the Auditors of the Corporation (see page 8);
- the Amendment to the Articles of the Corporation to increase the number of Class A shares and Class B subordinate shares which may be issued by the Corporation from 1,792,000,000 to 1,892,000,000 (see page 8); and
- the Amendment to the Articles of the Corporation to add a provision to the effect that the Directors will be authorized to appoint up to two additional Directors from time to time (see pages 8 and 9).

How will these matters be decided at the meeting?

A simple majority of the votes cast, by proxy or in person, is required for the election of Directors and the appointment of the Auditors to be approved.

The proposed Amendments to the Articles of the Corporation will have to be approved by at least two thirds of the votes cast by the holders of Class A shares and by the holders of Class B subordinate shares, voting together.

How many votes do I have?

The Class B subordinate shares are restricted shares (within the meaning of the relevant Canadian regulations

respecting securities) in that they do not carry equal voting rights. In the event of a ballot, each Class A share carries ten votes and each Class B subordinate share carries one vote.

Each class A share is convertible at any time, at the option of the holder, into one Class B subordinate share. Each Class B subordinate share will become convertible into one Class A share in the event that the majority shareholder, namely the Bombardier family, accepts a purchase offer for Class A shares or in the event the majority shareholder ceases holding more than 50% of the outstanding Class A shares of the Corporation.

The holders of Class A shares and the holders of Class B subordinate shares, whose names appear on the list of shareholders prepared as of the close of business, at 5:00 o'clock in the afternoon Montréal time, on Wednesday, May 7, 2003 (the "Record Date"), will be entitled to vote at the meeting and any adjournment thereof if present or represented by proxy thereat.

To exercise the voting rights of the Class A shares and/or the Class B subordinate shares acquired subsequent to the Record Date, you must, not later than 10 days before the meeting :

- request that the Corporation add your name to the list of shareholders entitled to vote; and
- produce properly endorsed share certificates or otherwise establish that you own the shares.

How many shares are entitled to vote?

As at April 25, 2003, the Corporation had outstanding 342,019,138 Class A shares and 1,405,967,780 Class B subordinate shares.

To the knowledge of the Directors and Officers of the Corporation, the only persons who, as at April 25, 2003, beneficially owned or exercised control or direction over shares carrying more than 10% of the voting rights attached to all the shares of the Corporation were Mrs. Janine Bombardier and Mr. J.R. André Bombardier, both Directors of the Corporation and Mrs. Claire Bombardier Beaudoin and Mrs. Huguette Bombardier Fontaine; these four persons controlled indirectly through holding companies 281,136,961 Class A shares, representing in the aggregate 82.20% of the outstanding Class A shares of the Corporation or 58.25% of all the voting rights attached to all the shares of the Corporation.

As at April 25, 2003, the Directors of the Corporation (with the exception of Mrs. Janine Bombardier and Mr. J.R. André Bombardier) and the Officers of the Corporation as a group, owned beneficially, directly or indirectly, 4,879,220 Class A shares and 14,863,790 Class B subordinate shares, representing 1.43% and

1.06%, respectively, of the outstanding shares of each such class.

How do I vote?

If you are eligible to vote and your shares are registered in your name, you can exercise the voting rights attached to your shares in person at the meeting or by proxy, as explained below.

If your shares are held in the name of a nominee, please see the instructions below under the headings "How can a non-registered shareholder vote?" (pages 4 and 5) and "How can a non-registered shareholder vote in person at the meeting?" (page 5).

Voting by proxy

Whether or not you attend the meeting, you can appoint someone else to vote for you as your proxyholder. Your vote will thus be counted at the meeting. You can use the enclosed proxy form, or any other proper form of proxy, to appoint your proxyholder. **The persons named in the enclosed proxy form, that is, Messrs. Laurent Beaudoin, J.R. André Bombardier and Jean-Louis Fontaine are Directors and Officers of the Corporation. However, you can choose another person to be your proxyholder, including someone who is not a shareholder of the Corporation by deleting the names printed on the proxy and inserting another person's name in the blank space provided, or by completing another proper form of proxy.**

How will my proxy vote?

On the proxy form, you can indicate how you want your proxyholder to vote your shares, or you can let your proxyholder decide for you.

If you have specified on the proxy form how you want your shares to be voted on a particular issue (by marking FOR, AGAINST or WITHHOLD), then your proxyholder must vote your shares accordingly.

If you have not specified on the proxy form how you want your shares to be voted on a particular issue, then your proxyholder can vote your shares as he sees fit.

Unless contrary instructions are provided, the voting rights attached to Class A shares and/or Class B subordinate shares represented by proxies received by the Management of the Corporation will be voted:

FOR the election of all the nominees proposed as Directors by the Management of the Corporation;

FOR the appointment of Ernst & Young, LLP, chartered accountants, as Auditors of the Corporation and FOR the fixing of their

remuneration by the Directors of the Corporation, as proposed by the Management of the Corporation;

FOR the Amendment to the Articles of the Corporation to increase the number of Class A shares and Class B subordinate shares which may be issued by the Corporation from 1,792,000,000 to 1,892,000,000; and

FOR the Amendment to the Articles of the Corporation to add a provision to the effect that the Directors will be authorized to appoint up to two additional Directors from time to time.

Proxy Voting Options

Shareholders may wish to vote by proxy whether or not they are able to attend the meeting in person. Registered shareholders may vote by proxy as follows: by mail or fax, by telephone or over the Internet.

Submitting a proxy by mail or fax or over the Internet are the only methods by which a shareholder may appoint a person as proxy other than a Director or Officer of the Corporation named on the form of proxy.

Mail or Fax

Registered shareholders electing to submit a proxy by mail must complete, date and sign the form of proxy. It must then be returned to the Corporation's transfer agent, Computershare Trust Company of Canada, either in the postage paid return envelope provided or by fax at 1-866-249-7775 at the latest by 4:00 p.m. (Montréal time), on Monday, June 9, 2003.

Telephone

The option to submit a proxy by telephone is offered only in Canada and in the United States. Registered shareholders electing to submit a proxy by telephone require a touchtone telephone. The telephone number to call is 1-877-438-8319 for the holders of Class A shares and 1-877-438-8321 for the holders of Class B subordinate shares. Shareholders must follow the instructions, use the form of proxy received from the Corporation and provide the 14-digit control number and the five-digit Personal Identification Number, located on the proxy form on the lower left-hand side. Instructions are then conveyed by use of the touchtone selections over the telephone.

Internet

Registered shareholders electing to submit a proxy over the Internet must access the website : www.computershare.com/ca/proxy.

Registered shareholders must then follow the instructions and refer to the proxy form received from the

Corporation which contains a 14-digit control number and a five-digit Personal Identification Number, located on the proxy form on the lower left-hand side. Voting instructions are then conveyed electronically by the shareholder over the Internet.

Non-registered shareholders, that is, those whose shares are held in "nominee" name, usually banks, trust companies, securities brokers or other financial institutions, will be provided with voting instructions by the nominee. Please see further instructions below under the heading "How can a non-registered shareholder vote?" (page 4 and 5).

What if there are amendments or if other matters are brought before the meeting?

The enclosed proxy form gives the persons named on it authority to use their discretion in voting on amendments or variations to matters identified in the notice.

As of the date of this Circular, the Management of the Corporation is not aware that any other matter is to be presented for action at the meeting. If, however, other matters properly come before the meeting, the persons named on the enclosed proxy form will vote on them in accordance with their judgment, pursuant to the discretionary authority conferred by the proxy form with respect to such matters.

What if I change my mind and want to revoke my proxy?

You can revoke your proxy at any time before it is acted upon. You can do this by stating clearly, in writing, that you want to revoke your proxy and by delivering this written statement to the Corporation's transfer agent, Computershare Trust Company of Canada, not later than the last business day before the day of the meeting, or to the Chairman of the meeting on the day of the meeting or any adjournment thereof.

Who counts the votes?

Proxies are counted by Computershare Trust Company of Canada, the transfer agent of the Corporation.

Is my vote confidential?

The Corporation's transfer agent, Computershare Trust Company of Canada, preserves the confidentiality of individual shareholder votes, except (a) where the shareholder clearly intends to communicate his or her individual position to the Management of the Corporation, and (b) as necessary to comply with legal requirements.

How are proxies solicited?

The Management of the Corporation requests that you sign and return the proxy form to ensure your

votes are exercised at the meeting. The solicitation of proxies will be primarily by mail. However, the directors, officers and regular employees of the Corporation may also solicit proxies by telephone, over the Internet, in writing or in person.

How do the employees exercise the voting rights attached to the shares that they own under the "Employee Share Purchase Plan" of the Corporation?

If you are an employee and you own shares under the "Employee Share Purchase Plan" of the Corporation, your shares are registered in the name of Computershare Trust Company of Canada, the Plan's administrator, until such time as the shares are withdrawn from the Plan pursuant to its terms and conditions.

Voting rights attached to the shares owned by the employees may be exercised through the use of a voting instruction form which will permit the voting of shares by mail or fax, telephone (this option is offered only in Canada and the United States; the number to dial is 1-877-439-6684) or the Internet.

The shares will be voted in accordance with the instructions received from the employee who is the beneficial owner of the shares. **If no choice is specified by the employee for an item to be voted upon, the shares will be voted:**

FOR the election of the nominees as Directors of the Corporation;

FOR the appointment of Ernst & Young, LLP, chartered accountants, as the Auditors of the Corporation and FOR the fixing of their remuneration by the Directors of the Corporation;

FOR the Amendment to the Articles of the Corporation to increase the number of Class A shares and Class B subordinate shares which may be issued by the Corporation from 1,792,000,000 to 1,892,000,000; and

FOR the Amendment to the Articles of the Corporation to add a provision to the effect that the Directors will be authorized to appoint up to two additional Directors from time to time.

In order for his voting rights to be exercised as he wants, an employee has to complete and return a voting instruction form or provide his instructions by phone or Internet.

How can a non-registered shareholder vote?

If your shares are not registered in your own name, they are held in the name of a "nominee", usually a bank, trust

company, securities broker or any other financial institution. Your nominee must seek your instructions as to how to vote your shares. Therefore, unless you have previously informed your nominee that you do not wish to receive material relating to shareholders' meetings, you will have received this Circular in a mailing from your nominee, together with a form of proxy or voting instruction form. Each nominee has its own signing and return instructions; it is important that you comply with these instructions if you want the voting rights attached to your shares to be exercised. If you are a non-registered shareholder who has submitted a proxy and you wish to change your voting instructions, contact your nominee to find out whether this is possible and what procedure to follow.

How can a non-registered shareholder vote in person at the meeting?

Since the Corporation and/or its transfer agent, Computershare Trust Company of Canada, do not have a record of the names of the Corporation's non-registered shareholders, in the case where you are a non-registered shareholder and you attend the meeting, they will have no knowledge of your shareholdings or your entitlement to vote, unless your nominee has appointed you as proxy holder. Therefore, if you are a non-registered shareholder and wish to vote in person at the meeting, please insert your own name in the space provided on the form of proxy or voting instruction form sent to you by your nominee. By doing so, you are instructing your nominee to appoint you as proxy holder. It is important that you comply with the signing and return instructions provided by your nominee. It is not necessary to otherwise complete the form as you will be voting at the meeting.

If I have to communicate with the transfer agent, how do I do it?

You can communicate with the transfer agent, at the following address:

Computershare Trust Company of Canada
Proxy Solicitation Department
100 University Avenue
9th Floor
Toronto, Ontario M5J 2Y1
or by telephone: 514-982-7270

Section 2 : Business of the Meeting










Election of Directors

The Articles of the Corporation provide that the Board of Directors shall consist of not less than five and not more than twenty Directors. The Directors are elected annually. It is proposed by the Management of the Corporation that thirteen Directors be elected for the current year. The term of office of each Director so elected expires upon the election of his or her successor unless he shall resign his or her office shall become vacant by death, removal or other cause.





Except where authority to vote on the election of Directors is withheld, the persons named in the accompanying proxy form will vote for the election of the nominees whose names are hereinafter set forth, all of whom are now Directors of the Corporation, except for Mr. Michael H. McCain and Mr. Federico Sada G.

The Management of the Corporation does not contemplate that any of the nominees will be unable, or for any reason will become unwilling, to serve as a Director but, if that should occur for any reason prior to the election, the persons named in the accompanying proxy form reserve the right to vote for another nominee in their discretion, unless the shareholder has specified in the proxy form that his shares are to be withheld from voting on the election of Directors.

Approximate number of shares of the Corporation beneficially owned by the nominee or which are subject to his or her control or direction as at April 25, 2003

	Class A shares	Class B subordinate shares	Deferred Stock Units	
 <p>Executive Chairman of the Board of Directors Director since 1975 */***</p> <p>LAURENT BEAUDOIN, C.C., FCA (1)</p>	732,560	13,132,884	0	 <p>President and Co-Chief Executive Officer, Power Corporation of Canada, holding and management corporation Director since 1985 ***</p> <p>ANDRÉ DESMARAIS</p>
 <p>President, Jalynn H. Bennett & Associates Ltd., consulting firm in strategic planning and organizational development Director since 2002 **/****</p> <p>JALYNN H. BENNETT, C.M.</p>	0	126,400	13,863	
 <p>Vice Chairman of the Corporation Director since 1975 */***</p> <p>J.R. ANDRÉ BOMBARDIER</p>	4,097,472	414,313	0	 <p>Vice Chairman of the Corporation Director since 1975 */**/****</p> <p>JEAN-LOUIS FONTAINE (5)</p>
 <p>President and Governor, J. Armand Bombardier Foundation, charitable organization Director since 1984</p> <p>JANINE BOMBARDIER</p>	0	1,200	15,303	 <p>Counsel, McCarthy Tétrault, LLP barristers and solicitors Director since 1999 **/****</p> <p>DANIEL JOHNSON</p>
 <p>Executive Director, Centre on Governance University of Ottawa Director since 2003 **</p> <p>L. DENIS DESAUTELS (4)</p>	0	3,500	0	 <p>President and Chief Executive Officer, Maple Leaf Foods Inc. food processing company</p> <p>MICHAEL H. McCAIN (6)</p>
	125,000	0	0	

* Member of the Executive Committee
 ** Member of the Audit Committee
 *** Member of the Compensation Committee
 **** Member of the Retirement Pension Oversight Committee

	Class A shares	Class B subordinate shares	Deferred Stock Units	
 Corporate Director Director since 1998 */***		0	0	
JEAN C. MONTY	25,000	175,000	15,872	
 Retired Chairman and Chief Executive Officer, Ingersoll-Rand Company, diversified industrial company and components manufacturer Director since 1999 **		0	108,000	
JAMES E. PERRELLA	0	10,000	12,130	
				 President and Chief Executive Officer, Vitro, S.A. de C.V. glass producing company
				FEDERICO SADA G. (7)
				 President and Chief Executive Officer of the Corporation Director since 1997 *
				PAUL M. TELLIER

* Member of the Executive Committee
 ** Member of the Audit Committee
 *** Member of the Compensation Committee
 **** Member of the Retirement Pension Oversight Committee

Notes

- (1) Mrs. Claire Bombardier Beaudoin, wife of Mr. Laurent Beaudoin, exercises, through holding corporations which she controls (either directly or in concert with Mr. J.R. André Bombardier, Mrs. Janine Bombardier and Mrs. Huguette Bombardier Fontaine), control or direction over 70,530,740 Class A shares of the Corporation.
- (2) Mr. J.R. André Bombardier exercises, through holding corporations which he controls (either directly or in concert with Mrs. Claire Bombardier Beaudoin, Mrs. Janine Bombardier and Mrs. Huguette Bombardier Fontaine), control or direction over 72,644,741 Class A shares of the Corporation.
- (3) Mrs. Janine Bombardier exercises, through holding corporations which she controls (either directly or in concert with Mrs. Claire Bombardier Beaudoin, Mr. J.R. André Bombardier and Mrs. Huguette Bombardier Fontaine), control or direction over 69,780,740 Class A shares of the Corporation.
- (4) Mr. L. Denis Desautels is a member of the Board of Directors of the Corporation since February 2003. He was Auditor General of Canada from April 1, 1991 to March 31, 2001. Since October 1, 2001, he is Executive Director of the Centre on Governance of the University of Ottawa.
- (5) Mrs. Huguette Bombardier Fontaine, wife of Mr. Jean-Louis Fontaine, exercises, through holding corporations which she controls (either directly or in concert with Mrs. Claire Bombardier Beaudoin, Mr. J.R. André Bombardier and Mrs. Janine Bombardier), control or direction over 68,180,740 Class A shares of the Corporation.
- (6) Mr. Michael H. McCain is a new nominee to the Board of Directors of the Corporation. He is President and Chief Executive Officer of Maple Leaf Foods Inc. since January 1, 1999. He had previously been President and Chief Operating Officer of that corporation since April 1995.
- (7) Mr. Federico Sada G. is a new nominee to the Board of Directors of the Corporation. He is President and Chief Executive Officer of Vitro, S.A. de C.V. since January 1, 1995.

- (A) No Series 2, Series 3 or Series 4 preferred shares are beneficially owned by a nominee or are subject to his or her control or direction as at April 25, 2003.
- (B) The Deferred Stock Unit Plan is described on page 9.

Appointment of Auditors

The Management of the Corporation proposes that Ernst & Young, LLP, chartered accountants, be appointed as Auditors of the Corporation and that the Directors of the Corporation be authorized to fix their remuneration.

For the year ended January 31, 2003, fees for audit and audit-related services provided to the Corporation by Ernst & Young, LLP, totalled \$46,896,000 including disbursements. These fees include statutory audits required in respect of the Corporation's foreign subsidiaries as well as support services related to claims derived from Ernst & Young, LLP, audit in relation to such claims. Professional fees for tax and other services totalled \$19,230,000 including disbursements. These fees relate mostly to tax services (including tax compliance, tax advice and tax planning) and forensic services. The Audit Committee of the Corporation has verified the scope and nature of the services and has confirmed that they are compatible with maintaining the independence of Ernst & Young, LLP, as the external auditors of the Corporation.

Except where authority to vote on the appointment of the Auditors of the Corporation is withheld, persons named in the accompanying proxy form will vote FOR the appointment of Ernst & Young, LLP, chartered accountants, and FOR their remuneration to be fixed by the Directors of the Corporation.

Amendment to the Articles of the Corporation – Increase in the Number of Class A Shares and Class B Subordinate Shares that may be Issued

The purpose of the Special Resolution (the translation of the full text of which is reproduced as Exhibit "B" to this Circular) is to increase the maximum number of Class A shares and the maximum number of Class B subordinate shares that the Corporation is authorized to issue from 1,792,000,000 to 1,892,000,000.

The increase in the number of Class A shares authorized to be issued is required under the laws governing the Corporation and the Articles of the Corporation because the Class B subordinate shares are in certain circumstances convertible into Class A shares and, as such, the Corporation must reserve Class A shares for conversion purposes (See page 2 – "How many votes do I have?").

The Articles of the Corporation currently limit the number of Class A shares and Class B subordinate shares that the Corporation may issue to 1,792,000,000 Class A shares and 1,792,000,000 Class B subordinate shares. Following the issuance of 370,000,000 Class B subordinate shares completed by the Corporation on April 17, 2003 and taking into account securities convertible into Class A shares or Class B subordinate shares already issued by the Corporation (including the fact that the Class A shares are convertible at all times into Class B subordinate shares and

the Class B subordinate shares are convertible in certain circumstances into Class A shares), the remaining number of Class A shares or Class B subordinate shares the Corporation is authorized to issue in the future is currently limited to 3,318,996.

The Board of Directors believes that it is in the best interests of the Corporation to increase the number of Class A shares and Class B subordinate shares the Corporation is authorized to issue in order to provide for the flexibility required to access the capital markets for future financing needs, to have shares available for the purpose of compensation plans of the Corporation and for such other purposes as the Board deems to be in the best interests of the Corporation. The Board of Directors has no current plans to issue additional shares, except upon the exercise of options under the Corporation's stock option plans.

This amendment to the Articles of the Corporation has no tax consequences for shareholders.

The Corporation expects that this amendment to its Articles will take effect on June 13, 2003.

This special resolution must be approved by not less than two thirds of the votes cast by holders of Class A shares and holders of Class B subordinate shares voting together.

In the absence of instructions to vote against the Amendment to the Articles as described above, the proxyholders whose names appear on the enclosed proxy form intend to vote FOR the said Amendment.

Amendment to Articles of the Corporation – Additional Directors

The *Canada Business Corporations Act* provides that if the articles of a corporation contain a provision to this effect, the directors may appoint one or more directors to hold office until the close of the next annual meeting of shareholders, subject to the total number of directors so appointed not exceeding one-third of the number of directors elected at the previous annual meeting of shareholders. The Corporation is of the view that the flexibility afforded to the Board of Directors to select and appoint a maximum of two additional Directors between annual meetings is important as it would allow the Corporation to act quickly and efficiently when new candidates for membership on the Board of Directors are identified. In this way, a worthwhile candidate would be able to contribute as a member of the Board of Directors immediately. Further, the Corporation would not risk losing the candidate to other opportunities which may arise before that candidate's actual appointment can take place at the next annual shareholders' meeting. The translation of the

full text of the proposed special resolution relating to the appointment of additional Directors is reproduced as Exhibit "C".

This special resolution must be approved by not less than two-thirds of the votes cast by holders of Class A shares and Class B subordinate shares voting together.

In the absence of instructions to vote against the Amendment to the Articles as described above, the proxyholders whose names appear on the enclosed proxy form intend to vote FOR the said Amendment.

Section 3: Remuneration of Directors and Executive Officers
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Remuneration of Directors

The Directors who are not Officers of the Corporation receive retainer fees of \$3,000 per month. They earn attendance fees of \$2,000 for each Board or Committee meeting. In addition, a non-executive Director receives an additional annual fee of \$10,000 for presiding over a Committee of the Board of Directors of the Corporation or \$5,000 for acting as a member of such a Committee, as the case may be.

Deferred Stock Unit Plan

To encourage non-executive Directors to align their interests with those of the shareholders by having an investment in the Corporation, the Corporation has been offering them a Deferred Stock Unit Plan since April 1, 2000. A non-executive Director who wishes to participate in this Plan may thus elect to receive 50% or more of his or her retainer fees, his or her attendance fees and, if presiding over, or acting as a member of, a Committee of the Board of Directors of the Corporation, his or her additional annual fee in the form of Directors' Deferred Stock Units ("DDSU"), each of which has a value equal to the market value of a Class B subordinate share of the Corporation at the time DDSUs are credited to the Director. DDSUs take the form of a bookkeeping entry credited to the account of the Director which cannot be converted to cash for as long as the Director remains a member of the Board of Directors. The value of a DDSU, when converted to cash, will be equivalent to the market value of a Class B subordinate share at the time the conversion will take place. DDSUs will give right to dividends that will be paid with additional DSUs at the same rate as the dividend paid on the Class B subordinate shares.

Stock Option Plan for the Benefit of Non-Executive Directors

The stock option plan for the benefit of non-executive Directors of the Corporation (the "Directors' Plan") provides for the granting of non-transferable and non-assignable options to purchase a maximum of 2,000,000 Class B subordinate shares of the Corporation. As at January 31, 2003, options for a total of 353,000 Class B subordinate shares had been granted and were outstanding.

The purchase price for the Class B subordinate shares, in respect of any option granted under the Directors' Plan, is the weighted average trading price of the Class B subordinate shares traded on the Toronto Stock Exchange on the five trading days immediately preceding the day of granting of such option. The purchase price is payable in full at the time of exercise of the option.

Each option shall be first exercisable at any time following the date of granting of such option until the expiration of the tenth year following the date of granting of such option, unless the Compensation Committee decides otherwise, provided, however, that an optionee shall not have purchased more than 20% of the aggregate number of shares covered by his or her option at the expiration of the first year following the date of granting of such option, more than 40% of the aggregate number of shares covered by his or her option at the expiration of the second year following the date of granting of such option, more than 60% of the aggregate number of shares covered by his or her option at the expiration of the third year following the date of granting of such option and more than 80% of the aggregate number of shares covered by his or her option at the expiration of the fourth year following the date of granting of such option. However, a Director who, at the date of statutory retirement as a Director, will have been a Director of the Corporation for at least five years, will then be entitled, during the period of twelve months following such retirement, to exercise his or her option with respect to all the shares for which such option will not then have been exercised.

During the financial year ended January 31, 2003, options for 65,000 Class B subordinate shares were granted.

Options Exercised in the Last Completed Financial Year

During the financial year ended January 31, 2003, 56,000 Class B subordinate shares were purchased under the Directors' Plan by a non-executive Director of the Corporation.

Remuneration of Named Executive Officers Summary Compensation Table

The Summary Compensation Table shows certain compensation information for the Executive Chairman of the Board of Directors and the other most highly compensated corporate management executive officers (collectively, the “Named Executive Officers”) for services

rendered in all capacities during the financial years ended January 31, 2003, 2002 and 2001. This information includes the base salaries, bonus awards, the number of stock options granted and certain other compensations, whether paid or deferred.

Name and Principal Position	Year Ended January 31	Annual Compensation			Long-Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonuses (\$)	Other Annual Compensation (\$) ⁽¹⁾	Awards		LTIP Payouts (\$)	
					Securities Under Options Granted (#)	Restricted Shares or Restricted Share Units (\$)		
Laurent Beaudoin Executive Chairman of the Board of Directors	2003	1,000,000	—	135,838 ⁽²⁾	—	—	—	—
	2002	1,000,000	—	115,992	—	—	—	—
	2001	1,000,000	—	144,634	—	—	—	—
Paul M. Tellier President and Chief Executive Officer	2003	160,000 ⁽³⁾	—	—	1,005,000 ⁽³⁾	—	—	—
Robert E. Brown ⁽⁴⁾ President and Chief Executive Officer	2003	1,500,000	—	—	500,000	—	—	—
	2002	1,250,000	950,000	—	1,000,000	—	—	—
	2001	1,100,000	2,862,090	—	—	—	—	—
Michael G. Denham Senior Vice President, Strategy	2003	450,000	—	—	100,000	—	—	—
	2002	213,642 ⁽⁵⁾	320,833	—	225,000	—	—	—
	2001	—	—	—	—	—	—	—
Carroll L'Italien Senior Vice President	2003	485,000	—	—	180,000	—	—	—
	2002	460,000	300,000	—	—	—	—	—
	2001	420,000	849,954	—	—	—	—	—
Louis Morin ⁽⁶⁾ Senior Vice President and Chief Financial Officer	2003	500,000	—	—	—	—	—	—
	2002	450,000	300,000	—	—	—	—	—
	2001	400,000	809,480	—	80,000	—	—	—

(1) The value of benefits not exceeding the lesser of \$50,000 or 10% of the sum of salary and bonuses has been omitted.

(2) This sum includes \$106,520 for personal use of the Corporation’s aircraft.

(3) Mr. Paul M. Tellier took office on January 1, 2003 and his annual salary is \$1,920,000. See page 13. He had received, on March 27, 2002, stock options for 5,000 Class B subordinate shares, as a non-executive Director.

(4) Mr. Robert E. Brown left office on December 12, 2002. See page 13.

(5) Mr. Michael G. Denham took office on August 13, 2001.

(6) Mr. Louis Morin left office on February 12, 2003. See page 13.

Stock Option Plan

The Stock Option Plan (the “Plan”) of the Corporation provides for the granting to key employees of the Corporation and its subsidiaries of non-assignable options to purchase an aggregate number of Class B subordinate shares which could not exceed 133,782,688 outstanding Class B subordinate shares; of this number, 65,180,560 shares are available for granting as at January 31, 2003.

The option price is the weighted average trading price of the Class B subordinate shares traded on the Toronto Stock Exchange on the five trading days immediately

preceding the day on which the option is granted. The option price is payable in full at the time of exercise of the option. Unless otherwise determined by the Board of Directors of the Corporation, the options are exercisable during periods commencing not earlier than two years following the date of granting and terminating not later than ten years after such date of granting.

Furthermore, an optionee shall not have purchased more than 25% of the aggregate number of shares covered by his option at the expiration of the third year following the

date of granting of such option, more than 50% of the aggregate number of shares covered by his option at the expiration of the fourth year following the date of granting of such option and more than 75% of the aggregate number of shares covered by his option at the expiration of the fifth year following the date of granting of such option. As a general rule, the number of Class B subordinate shares granted to each key employee is

based on a multiple being directly related to the key employee's management level in the Corporation or one of its subsidiaries.

As at January 31, 2003, options for a total of 40,994,086 Class B subordinate shares had been granted and were outstanding.

Granting of Stock Options to the Named Executive Officers for the Financial Year Ended January 31, 2003

The following table sets forth various information with respect to stock options granted to the named Executive

Officers during the financial year ended January 31, 2003.

Name	Securities under Options Granted (#)	% of Total Options Granted to Employees in the Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Laurent Beaudoin	—	—	—	—	—
Paul M. Tellier	1,000,000	17.9%	\$ 5.22 ⁽¹⁾	—	December 31, 2005
Robert E. Brown	500,000	8.9%	\$14.58	—	March 27, 2012
Michael G. Denham	100,000	1.8%	\$14.58	—	March 27, 2012
Carroll L'Italien	180,000	3.2%	\$14.58	—	March 27, 2012
Louis Morin	—	—	—	—	—

(1) See page 13.

Options Exercised in Last Completed Financial Year under January 31, 2003 and Year-End Options Values

The following table summarizes for each of the Named Executive Officers the number of stock options exercised during the financial year ended January 31, 2003, the aggregate value realized upon exercise and the total number and value of unexercised options held at January 31, 2003. Value realized upon exercise is the

difference between the closing price of the Class B subordinate share on the exercise date and the exercise price of the option. Value of unexercised options at financial year end is the difference between the closing price of the Class B subordinate share on January 31, 2003, that is, \$5.12, and the exercise price.

Name	Shares Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at Financial Year End		Value of Unexercised Options at Financial Year End	
			Exercisable (#)	Unexercisable (#)	Exercisable (\$)	Unexercisable (\$)
Laurent Beaudoin	4,800,000 ⁽¹⁾	23,832,000	5,000,000	1,000,000	0	0
Paul M. Tellier	—	—	—	1,005,000	0	0
Robert E. Brown	—	—	2,500,000	1,875,000	992,500	0
Michael G. Denham	—	—	—	325,000	0	0
Carroll L'Italien	—	—	200,000	380,000	0	0
Louis Morin	—	—	250,000	150,000	0	0

(1) This option would have expired on January 15, 2003.

The number of shares indicated in the foregoing tables reflect, in part, adjustments following two-for-one stock splits which took place on July 7, 1995, July 10, 1998 and July 7, 2000.

forth in the column "Aggregate Value Realized", has not been, and may never be, realized. The actual gains, if any, on exercise will depend on the value of the Class B subordinate shares of the Corporation on the date of exercise.

The value of unexercised options, unlike the amounts set

Pension Plan

Senior Officers, including the Named Executive Officers, participate in two non-contributory defined benefit pension plans. Benefits payable from the basic plan correspond to 2% of average earnings in the three continuous years of service during which they were paid their highest salary (up to a maximum salary of \$86,111) times the number of years of credited service.

Since January 1, 2001, the supplemental plan provides (depending on the management level) for additional benefits of 1.75% of average earnings in excess of \$86,111 times the number of years of credited service or 2.25% or 2.50% of average earnings times the number of years of credited service, less the pension payable from the basic plan and any benefits payable from other pension plans of the Corporation. Benefits are reduced by 1/3 of 1% for each month between the date of early retirement and the date of a participant's 60th birthday or, if earlier, the date at which the participant's age plus his

years of credited service total 85. No benefits are payable from the supplemental plan if a participant has not completed five years of service.

The following table shows total annual benefits payable at age 60 from the basic plan and the supplemental plan computed on a percentage of 2.25%. Upon the death of a participant, the spouse will be entitled to a benefit equal to 60% of the benefit to which such participant was entitled. If the participant has no spouse at the time of retirement, the benefits will be paid, after death, to the designated beneficiary until such time as 120 monthly installments, in the aggregate, have been paid to the participant and to the designated beneficiary.

All benefits payable from these plans are in addition to government social security benefits. Only base salary is taken into consideration in calculating pension benefits.

Annual Benefits Payable at the Normal Retirement Age of 60

Average Remuneration	Years of Service				
	15	20	25	30	35
\$200,000	\$67,500	\$90,000	\$112,500	\$135,000	\$157,500
\$300,000	\$101,250	\$135,000	\$168,750	\$202,500	\$236,250
\$400,000	\$135,000	\$180,000	\$225,000	\$270,000	\$315,000
\$500,000	\$168,750	\$225,000	\$281,250	\$337,500	\$393,750
\$600,000	\$202,500	\$270,000	\$337,500	\$405,000	\$472,500
\$700,000	\$236,250	\$315,000	\$393,750	\$472,500	\$551,250
\$800,000	\$270,000	\$360,000	\$450,000	\$540,000	\$630,000
\$900,000	\$303,750	\$405,000	\$506,250	\$607,500	\$708,750
\$1,000,000	\$337,500	\$450,000	\$562,500	\$675,000	\$787,500
\$1,100,000	\$371,250	\$495,000	\$618,750	\$742,500	\$866,250
\$1,200,000	\$405,000	\$540,000	\$675,000	\$810,000	\$945,000

Years of credited service as at January 31, 2003 for each of the Named Executive Officers hereafter mentioned are:

Paul M. Tellier	1 month
Michael G. Denham	1 year and 5 months
Carroll L'Italien	10 years

At the normal retirement age of 60, the Named Executive Officers whose names appear below will have the following number of years of credited service:

Michael G. Denham	22 years and 9 months
Carroll L'Italien	11 years and 3 months

The Executive Chairman of the Board of Directors, Laurent Beaudoin, reached the age of 60 in May 1998. Pursuant to the basic pension plan and the supplemental pension plan, he would have been entitled, should he have retired on January 31, 2003, to an allowance which would have been \$1,076,562 according to average pensionable earnings in the amount of \$1,083,333 as of that date. The allowance to which he would be entitled at age 65 will be based on his pensionable earnings and his years of credited service as of that date. As at January 31, 2003, Mr. Beaudoin had 39 years and 9 months of credited service. Upon his death, his wife will be entitled to a benefit equal to 60% of the benefits to which he was entitled.

The President and Chief Executive Officer, Paul M. Tellier, was over age 60 when he took office, on January 1, 2003. If he had taken his retirement on January 31, 2003, he would have been entitled to an annual allowance of \$10,000 pursuant to his employment agreement. The annual allowance to which he would be entitled at age 65 would be \$160,000 pursuant to his employment agreement.

Employment Agreement and Arrangements

On December 12, 2002, the President and Chief Executive Officer, Paul M. Tellier, and the Corporation entered into an agreement outlining the terms and conditions of Mr. Tellier's employment for the period from January 1, 2003 to December 31, 2005. Under this agreement, Mr. Tellier's annual salary is established at \$1,920,000 and Mr. Tellier was granted, effective January 1, 2003, options to purchase 1,000,000 Class B subordinate shares at an exercise price based on the weighted average trading price on the Toronto Stock Exchange of such shares for the five trading days

preceding the grant date. Such options cannot be exercised, however, unless the market price for such shares has reached \$10.00. This agreement also sets out Mr. Tellier's entitlement under the Corporation's incentive program, pension plan, stock purchase plan and other customary perquisites.

Also on December 12, 2002, the former President and Chief Executive Officer, Robert E. Brown, and the Corporation entered into an agreement outlining the terms and conditions of Mr. Brown's resignation from the Corporation. Under this agreement, the aggregate amount payable to Mr. Brown in connection with his resignation is \$5,000,000 as compensation and fees being paid as follows: \$1,500,000 paid on the date of termination, \$3,000,000 payable in equal monthly installments over the course of two years and the balance of \$500,000 being a consultancy fee payable in equal monthly installments for a period of 25 months in consideration for Mr. Brown continuing to make himself available to collaborate with the Corporation in respect of certain claims and other matters in which Mr. Brown was involved during his tenure with the Corporation. This agreement also outlines Mr. Brown's pension plan entitlements, vesting schedule in respect of stock options previously granted and other sundry matters.

On March 5, 2003, the former Senior Vice-President and Chief Financial Officer, Louis Morin, and the Corporation entered into an agreement outlining the terms and conditions of Mr. Morin's resignation from the Corporation effective February 12, 2003. Under this agreement, the aggregate amount that was paid as severance pay to Mr. Morin is \$2,450,000. This agreement also outlines Mr. Morin's pension plan entitlements, vesting schedule in respect of stock options previously granted and other sundry matters.

Report of the Compensation Committee

As at January 31, 2003, the Compensation Committee consisted of five Directors, two of whom are Officers of the Corporation, namely, the Executive Chairman of the Board of Directors, Laurent Beaudoin, and one of the Vice Chairmen, J.R. André Bombardier, and three of whom are outside Directors, namely André Desmarais, Pierre Legrand and Jean C. Monty. The Committee meets at least three times a year.

The aggregate compensation of the Senior Officers of the Corporation, including the Named Executive Officers, consists of three components: base salary, the incentive (short-term) plan and the stock option plan.

The Compensation Committee has responsibility for defining compensation conditions, salary classes, the extent and levels of participation in the incentive (short-term) program and the stock option plan. The Committee monitors succession planning and determines the compensation of the Senior Officers in light of annual earnings.

To assist it in achieving its goals, the Committee calls on the services of compensation consultants who are responsible for gathering information on the policies in effect in companies comparable in size with the Corporation and/or with which the Corporation must compete in order to attract senior officers with growth potential. The Corporation's policy is to offer its Senior Officers competitive salaries and to hire employees who are experts in their field at their market value in order to achieve annual financial performance targets. In addition to market surveys, the Compensation Committee takes into consideration the profitability of the Corporation. Thus, growth in base salary is a function of individual performance, the results obtained by the Corporation and comparisons with the industry in general.

In addition to the base salary, the Corporation offers an incentive plan which emphasizes the creation of economic value for the Shareholders of the Corporation and which is linked to the performance objectives of each group or division. A bonus target is set as a percentage of the salary of a Senior Officer and the program allows for a maximum amount of bonuses for each group. The incentive plan encourages employees to try to outperform the earnings forecasts contained in annual operating budgets.

In the case of the Senior Officers at the Corporate Office, the incentive plan is based on the return obtained on the Shareholders' equity during a given year. For the Senior Officers to earn a bonus, such return must have exceeded 12.5% at year-end. Any percentage point in excess is multiplied by a factor which is in turn based on the management level of the Senior Officer.

The performance of the Corporation and sustained growth in the value of its shares depend on striking a balance between short and long-term considerations. To this end, stock option plan was introduced in 1986 to allow options on Class B subordinate shares of the Corporation to be granted to key employees of the Corporation and its subsidiaries. This plan is described on pages 10 and 11.

The Compensation Committee determines the number of stock options to be granted based, as a general rule, on a multiple of salary which is established according to the management level held by the key employee of the Corporation or one of its subsidiaries. The application of the formula is flexible and the Compensation Committee takes into account all relevant circumstances when making its decisions. Barring circumstances involving an exceptional contribution or a promotion, the status of each key employee as regards stock options is reviewed every three years. As a general rule, the number of options previously granted to an employee is not a factor taken into consideration in determining the number of options to grant to such employee.

The determination of the base salaries of the Chief Executive Officer and the other Senior Officers takes into account salary comparisons with positions involving similar responsibility and complexity, as per information obtained from outside consultants, and considerations of internal equity.

In brief, all of the Senior Officers receive a compensation that is based on their individual performance, the performance of the Corporation and market forces.

Laurent Beaudoin

André Desmarais

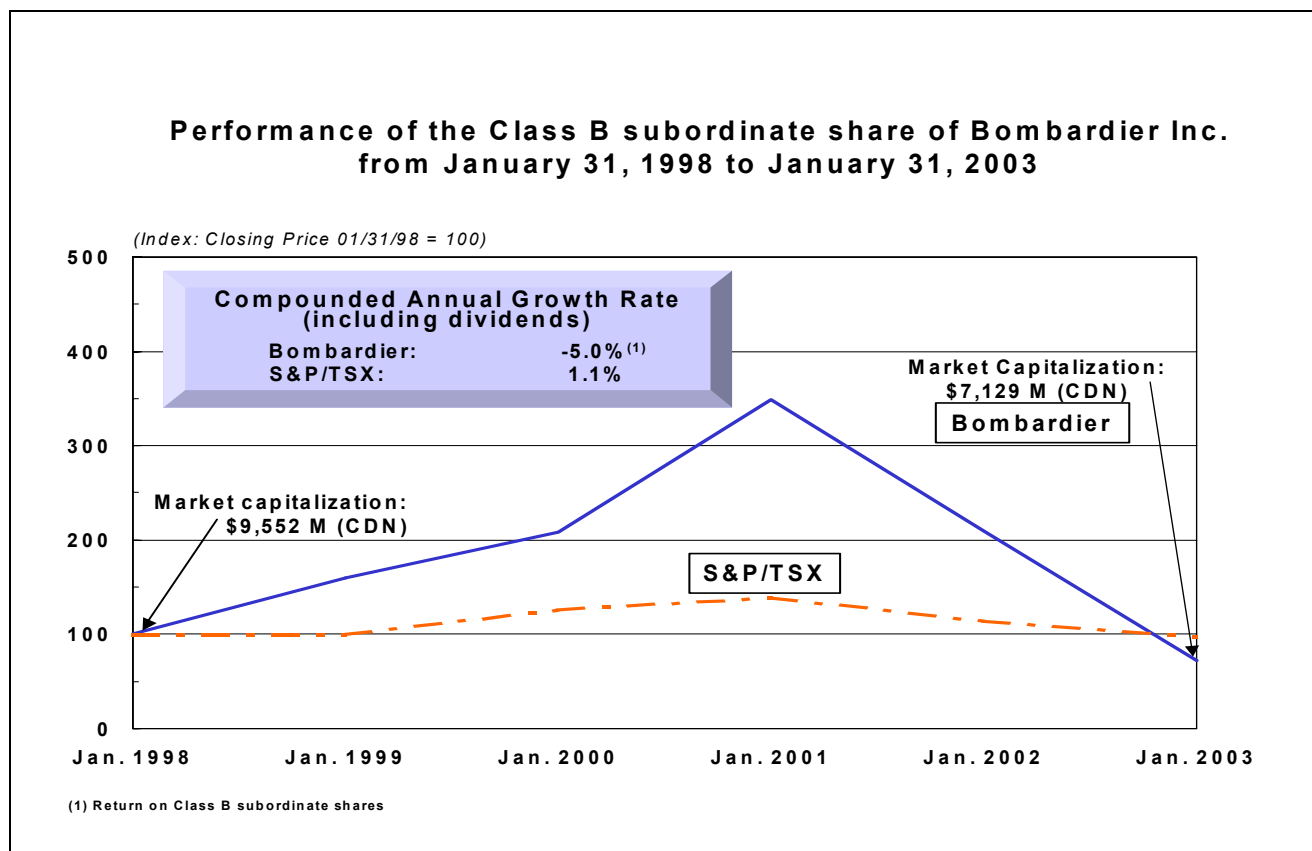
J.R. André Bombardier

Pierre Legrand

Jean C. Monty

Section 4 : Additional Information

Performance Graph



Statement of Corporate Governance Practices

The Corporation's approach to corporate governance matters is designed with a view to ensuring that the business and affairs of the Corporation be effectively managed so as to enhance Shareholder value.

Under the rules of the Toronto Stock Exchange, the Corporation is required to disclose information relating to its system of corporate governance with reference to guidelines set out in the TSE Company Manual (the "Guidelines"). The Corporation's disclosure addressing each of the Guidelines is set out in Exhibit "A".

Directors' and Officers' Insurance

The Corporation purchases and maintains liability insurance for Directors and Officers. The current total amount of such insurance maintained is \$150,000,000 at a cost of \$1,119,150 per annum. Under this insurance policy, the Corporation's maximum possible liability beyond the payment of premiums is \$150,000 for any particular claim.

Available Documentation

Copies of the Corporation's 2003 Annual Information Form, of the 2003 Management Proxy Circular and of the 2003 Annual Report to the Shareholders with respect to the audited consolidated financial statements of the Corporation as at January 31, 2003, as well as the quarterly financial statements filed since the date of the latest audited financial statements may be obtained on request from the Public Affairs Department of the Corporation.

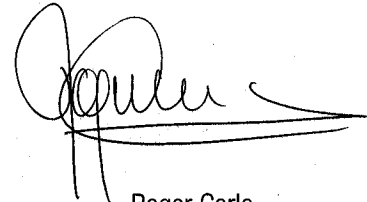
Receipt of Shareholder Proposals for the 2004 Annual Meeting

Shareholders who will be entitled to vote at the 2003 annual meeting of shareholders and who wish to submit a proposal in respect of any matter to be raised at the 2004 meeting shall ensure that the Corporate Secretary of the Corporation receives their proposal no later than February 9, 2004.

Approval of Directors

The contents and the sending of this Management Proxy Circular have been approved by the Directors of the Corporation.

Montréal, May 13, 2003,

A handwritten signature in black ink, appearing to read 'R. Carle', with a long horizontal flourish extending to the right.

Roger Carle
Corporate Secretary

EXHIBIT "A"
BOMBARDIER INC.
STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation's approach has always been designed with a view to ensuring that the business and affairs of the Corporation be effectively managed so as to enhance shareholder value. In this context and taking into consideration the recent evolution with respect to corporate governance, the Board of Directors of the Corporation, on April 28, 2003, made a number of decisions with respect to practices of corporate governance.

Such decisions address, among other things:

- (a) the revision of the mandate of the Board, including the introduction of the concept of a "Lead Director",
- (b) a description of the role of the Executive Chairman of the Board of Directors,
- (c) a description of the role of the Chief Executive Officer, and
- (d) the adoption of a mandate for the Corporate Governance and Nominating Committee.

This initiative expands upon the corporate governance initiatives already undertaken by the Board including (a) the adoption of a Code of Ethics in 1994, (b) the

adoption, in October 1996, of a policy dealing with the question of possible conflicts of interests at the level of Management, (c) the adoption of a revision of the administration policy dealing with the various levels of authority within the Corporation on December 15, 2000, (d) the adoption of a corporate disclosure policy on November 20, 2001, which, among other things, specifies the Corporation's communication policy and outlines how the Corporation interacts with analysts, investors, the media and others and contains measures intended to ensure compliance with timely disclosure obligations and avoid selective disclosure, and (e) the adoption of a revision of the policy on health, security and environment on June 4, 2002 (at the same date, the Management issued an implementation directive with respect to such policy).

In this Exhibit, when reference is made to a matter expected to be dealt with in June, or when a similar expression is used, it should be understood that the matter in question is expected to be determined by the Directors at their meeting of June 10, 2003, following the annual meeting of shareholders, at which the members and Chairs of the various Committees are appointed.

1. The Board of Directors should explicitly assume responsibility for stewardship of the Corporation, and specifically for:

a. adoption of a strategic planning process

In accordance with the *Canada Business Corporations Act*, the business and affairs of the Corporation are managed under the supervision of its Board of Directors. The President and Chief Executive Officer makes recommendations to the Board of Directors with respect to matters of corporate policy after discussion, when appropriate, with the Executive Chairman of the Board of Directors and members of Senior Management. The Board of Directors then takes the decisions which it deems appropriate and supervises the execution of such decisions and reviews the results obtained.

The mandate of the Board, adopted on April 28, 2003, expressly provides for the responsibility of the supervision of the management of the Corporation, as provided by law.

The duties of the Board of Directors include the review on an annual basis of the strategic plan for each operating group of the Corporation, a discussion of such plans with the President and Chief Executive Officer and an assessment of the risks identified.

b. identification of principal risks, and implementing risk managing systems

The duties of the Board of Directors include the review of overall business risks and of the Corporation's practices and policies for dealing with these risks.

In addition, the Audit Committee assesses principal risks which the Corporation faces and, where appropriate, proposes the implementation of risk management systems.

c. succession planning and monitoring senior management

The Human Resources and Compensation Committee reviews, reports and, where appropriate, provides recommendations to the Board of Directors on succession planning matters and, with the Board of Directors, monitors the performance of Senior Management.

d. communications policy

Reference is made to the corporate disclosure policy mentioned above.

Each of the Board of Directors and the Audit Committee reviews and, where required, approves statutory disclosure documents prior to their distribution.

In addition, the Corporation has a shareholder relations process to respond to shareholder questions and concerns. All communications from shareholders are referred to the appropriate corporate officer for response, consideration or action. Management promptly advises the Board of Directors if any significant issues are raised by shareholders. In addition, the Corporation communicates with its shareholders, securities analysts and the media regularly on developments in its business and results, through the annual report, interim financial statements and, when needed, reports to shareholders, press releases and material change reports.

e. integrity of internal control and management information systems

The duties of the Board of Directors include the assessment of the integrity of the Corporation's internal controls and management information systems. In addition, the Audit Committee has oversight responsibility of internal controls and management information systems.

2. Majority of Directors should be “unrelated” (independent of management and free from conflicting interest) to the Corporation and the Corporation’s significant Shareholder, if any

As at the date of the present Management Proxy Circular, the Board of Directors is composed of thirteen persons.

Of the thirteen Directors, eight are “unrelated” under the Guidelines, and five are “related” either as Senior Officers of the Corporation or persons who have a business relationship with the Corporation. In addition, eight of the thirteen directors are “independent” in accordance with U.S. standards.

In addition, one of the eight “unrelated” Directors is related to the majority shareholders.

In addition to a majority of “unrelated” Directors, the Board of Directors is composed of seven Directors who have no business interests with the Corporation or with the majority shareholders.

In the event that the new nominees to the Board of Directors, Messrs. Michael H. McCain and Federico Sada G., are elected, they will be “unrelated” Directors.

The composition of the Board of Directors fairly reflects, therefore, the investment in the Corporation by the shareholders other than the majority shareholders.

3. Disclose for each Director whether he or she is related, and how that conclusion was reached

Laurent Beaudoin	related	- is Executive Chairman of the Board of Directors of the Corporation
J.R. André Bombardier	related	- is Vice Chairman of the Corporation
Jean-Louis Fontaine	related	- is Vice Chairman of the Corporation
Pierre Legrand	related	- is a senior partner of Ogilvy Renault, legal counsel to the Corporation
Paul M. Tellier	related	- is President and Chief Executive Officer of the Corporation
Jalynn H. Bennett	unrelated	
Janine Bombardier	unrelated	
André Desmarais	unrelated	
L. Denis Desautels	unrelated	
Daniel Johnson	unrelated	
John C. Kerr	unrelated	
Jean C. Monty	unrelated	
James E. Perrella	unrelated	

4. a. Appoint a Committee of Directors responsible for proposing to the full Board of Directors new nominees to the Board and for assessing Directors on an ongoing basis

In consultation with the Executive Chairman of the Board of Directors, the Corporate Governance and Nominating Committee, expected to be created following the annual meeting of shareholders on June 10, 2003, will identify potential candidates as Directors, examine such candidacies and make recommendations to the Board accordingly.

In consultation with the Executive Chairman of the Board of Directors, such Committee will review, from time to time, the performance of the members of the Board and of the members and Chairs of Committees; a report will then be submitted to the Board which will then take the appropriate decisions.

b. composed exclusively of outside (non-management) Directors, the majority of whom are unrelated

It is expected that the Corporate Governance and Nominating Committee will be composed, in June, of a minimum of three Directors, all of whom will be outsiders and unrelated.

This Committee will not be operational before June 10, 2003.

5. Implement a process for assessing the effectiveness of the Board of Directors , its Committees and individual Directors

See response to item 4. a.

6. Provide orientation and education programs for new Directors

New Directors participate in an initial information session on the Corporation in the presence of Management representatives. In addition, they are furnished with appropriate documentation relating to the commercial activities of the Corporation and the internal organization of the Corporation. The meetings in which new Directors participate (including annual strategic planning sessions) as well as discussions with other Directors and with Management permit new Directors to familiarize themselves rapidly with the operations of the Corporation.

The Directors have access, on an ongoing basis, to information as to the best practices associated with boards and committees and as to emerging trends that may be relevant to their role as Directors.

7. Consider the size of the Board of Directors, with a view to improving effectiveness

The Board of Directors is of the view that its size and composition are well suited to the circumstances of the Corporation and allow for the efficient functioning of the Board of Directors as a decision-making body.

It will be the responsibility of the Corporate Governance and Nominating Committee to review this situation from time to time.

8. The Board of Directors should review compensation of Directors in light of risks and responsibilities

The Corporate Governance and Nominating Committee will review, from time to time, the policy pertaining to the compensation of Directors, in light of market conditions and practices and in light of risks and responsibilities. Any such review will cover the members of the Board who are non-executives, and the Committee members and Chairs.

9. Committees of the Board of Directors should generally be composed of outside (non-management) Directors, a majority of whom are unrelated Directors

- The Human Resources and Compensation Committee will consist, in June, of a minimum of three Directors, all of whom will be outsiders and unrelated.

It currently consists of five Directors, two of whom are insiders and three of whom are related.

It will be the responsibility of the Committee that mechanisms be put in place with respect to succession planning at the level of Senior Officers.

In addition, the Committee will assess the performance of the Senior Officers and will determine their compensation. The Committee will determine the salary classes as well as the levels and degrees of participation to incentive compensation programs, whether they be bonuses or plans based on the evolution of the shares of the Corporation. The Board must approve the programs beforehand.

- The Corporate Governance and Nominating Committee will consist, in June, of a minimum of three Directors, all of whom will be outsiders and unrelated.

See response to item 7.

See response to item 4.

The Committee will monitor the evolution of the corporate governance principles including the Code of Ethics.

- The Retirement Pension Oversight Committee will consist, in June, of a minimum of three Directors, all of whom will be outsiders and unrelated.

It currently consists of four Directors, one of whom is an insider and two of whom are related.

The main objective of the Committee is to oversee, review and monitor the investment of assets of the Corporation's Pension Plans and matters related thereto and report to the Board of Directors.

- Audit Committee. See response to item 13.
- Executive Committee: it is expected that the Executive Committee will be abolished in June.

The responsibility pertaining to all matters relating to corporate governance has been delegated by the Board to the Corporate Governance and Nominating Committee.

10. The Board of Directors should expressly assume responsibility for, or assign to a committee the general responsibility for, the approach to corporate governance issues

11. a. Define limits to Management's responsibilities by developing mandates for:

(i) the Board of Directors

The Board of Directors is, by law, responsible for supervising the management of the business and affairs of the Corporation. Any responsibility which is not delegated to either Management or a Committee of the Board remains with the Board of Directors. In general, all matters of policy and all actions proposed to be taken which are not in the ordinary course of business require the prior approval of the Board of Directors or of a Board Committee to which approval authority has been delegated. In addition, the Board has adopted a formal mandate which sets out its specific responsibilities.

(ii) the President and Chief Executive Officer

The corporate objectives which the President and Chief Executive Officer is responsible for meeting, with the rest of Management placed under his supervision, are determined by the strategic plans and the budget as they are approved each year by the Board of Directors. Performance of the President and Chief Executive Officer and Management is assessed against the achievement of the strategic plans and the budget. The performance of the President and Chief Executive Officer may also be assessed, in part, in relation to specific objectives which he has been made responsible for meeting. In addition, the Board has adopted a formal mandate which sets out specific responsibilities for the President and Chief Executive Officer.

b. the Board of Directors should approve President and Chief Executive Officer's corporate objectives

See response to item 11. a. (ii).

12. Establish procedures to enable the Board of Directors to function independently of Management

Commencing in June, it is expected that a formal structure will be in place to enable the Board of Directors to function independently of Management.

Prior to or after each regular meeting of the Board of Directors, the Directors who are not part of Management will meet under the chairmanship of a Lead Director who shall have been appointed.

Additional meetings will be held at the request of any such Director.

Thereafter, the Lead Director will transmit to the Board, the Board Chair and the President and Chief Executive Officer, as the case may be, any comment, question or suggestion of such Directors.

Such Directors shall have no decision-making power.

Such Directors may provide for their own procedures such as secretariat, notices of meeting, minutes and similar matters.

Their quorum is composed of the majority of the members.

13. a. Establish an Audit Committee with a specifically defined mandate

The roles and responsibilities of the Audit Committee have been approved by the Board of Directors and include the review of the annual and interim financial statements of the Corporation. The Audit Committee has direct communication channels with both the internal and external auditors to discuss and review specific issues as appropriate.

b. all members should be non-management Directors

The Audit Committee will be composed, in June, of five outside and unrelated Directors.

It currently consists of five Directors, one of whom is an insider and related.

Each member of the Committee is "financially literate" and at least one member, Mr. L. Denis Desautels, has "accounting or related financial experience".

See response to item 14.

14. Implement a system to enable individual Directors to engage outside advisors, at the Corporation's expense

With the prior authorization of the Corporate Governance and Nominating Committee, each Director or Committee may, when needed, retain the services of outside advisors at the expense of the Corporation, except the Audit Committee which does not require any prior authorization to do so.

(TRANSLATION)

EXHIBIT "B"

SPECIAL RESOLUTION

**AMENDMENT TO THE ARTICLES OF THE CORPORATION
INCREASE IN THE NUMBER OF CLASS A SHARES (MULTIPLE VOTING) AND
CLASS B SHARES (SUBORDINATE VOTING) THAT MAY BE ISSUED**

RESOLVED as a Special Resolution:

THAT Bombardier Inc. (the « Corporation ») be and it is hereby authorized to apply for a certificate of amendment under Section 173 of the *Canada Business Corporations Act* to amend its Articles, effective 5:00 P.M., Montréal time, on June 13, 2003, by increasing the number of Class A Shares (multiple voting) and the number of Class B Shares (subordinate voting) that the Corporation is authorized to issue from 1,792,000,000 to 1,892,000,000;

THAT the Articles of Amendment of the Corporation, which form an integral part of this Special Resolution, as submitted to this Meeting, be and the same are hereby approved;

THAT, notwithstanding that this Special Resolution has been duly adopted by the shareholders of the Corporation, the Board of Directors of the Corporation be and it is hereby authorized to revoke this Special Resolution before it is acted upon, without further approval of the shareholders; and

THAT any Director or any Officer of the Corporation be and he is hereby authorized to sign and deliver, for and on behalf of the Corporation, such other notices and documents and to do such other acts and things as may be considered necessary or desirable to give effect to this Special Resolution.

Articles of Amendment

Section 3 of the Articles of the Corporation is amended as follows, effective 5:00 P.M., Montréal time, on June 13, 2003:

The first sentence of the introductory paragraph is modified by replacing therein the number "1,792,000,000" by the number "1,892,000,000", so that said sentence will henceforth read as follows:

"The shares of the Corporation shall consist of (i) an unlimited number of preferred shares without nominal or par value issuable in series (hereinafter called "Preferred Shares"), of which 12,000,000 have been designated as "Series 2 Cumulative Redeemable Preferred Shares" (hereinafter called "Series 2 Preferred Shares"), 12,000,000 have been designated as "Series 3 Cumulative Redeemable Preferred Shares" (hereinafter called "Series 3 Preferred Shares") and 9,400,000 have been designated as "Series 4 Cumulative Redeemable Preferred Shares" (hereinafter called "Series 4 Preferred Shares"), (ii) 1,892,000,000 Class A shares (multiple voting) and (iii) 1,892,000,000 Class B shares (subordinate voting), (such Class A shares (multiple voting) and Class B Shares (subordinate voting) being collectively called, where applicable, "Restricted Shares") and the rights, privileges, conditions and restrictions attaching to each such class or series of shares are as hereinafter set forth."

(TRANSLATION)

Exhibit "C"

SPECIAL RESOLUTION

***AMENDMENT TO THE ARTICLES OF THE CORPORATION
ADDITIONAL DIRECTORS***

RESOLVED as a Special Resolution:

THAT Bombardier Inc. (the « Corporation ») be and it is hereby authorized to apply for certificate of amendment under Section 173 of the *Canada Business Corporations Act* to amend its Articles by adding the following provision:

“The directors may, from time to time in accordance with the laws governing the Corporation, appoint up to two additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, provided that the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders ”.

THAT, notwithstanding that this Special Resolution has been duly adopted by the shareholders of the Corporation, the Board of Directors of the Corporation be and it is hereby authorized to revoke this Special Resolution before it is acted upon, without further approval of the shareholders; and

THAT any Director or any Officer of the Corporation be and he is hereby authorized to sign and deliver, for and on behalf of the Corporation, such other notices and documents and to do such other acts and things as may be considered necessary or desirable to give effect to this Special Resolution.