ANNUAL INFORMATION FORM

For the year ended December 31, 2014

February 12, 2015

BOMBARDIER
the evolution of mobility

NOTES

(1) In this Annual Information Form, all monetary amounts are expressed in U.S. dollars, unless otherwise indicated. Certain totals, subtotals and percentages may not agree due to rounding.

(2) *ALP, Bombardier, Bombardier Vision, Bombardier 415, MP, Challenger, Challenger 300, Challenger 350, Challenger 605, Challenger 650, Challenger 800, CITYFLO, CRJ, CRJ700, CRJ900, CRJ1000, CS100, CS300, CSeries, EBI, ELECTROSTAR, FLEXITY, FLEXX, Global, Global 5000, Global 6000, Global 7000, Global 8000, INNOVIA, INTERFLO, Q-Series, Q400, Learjet 40, Learjet 45, Learjet 60, Learjet 70, Learjet 75, Learjet 85, MITRAC*, *MOVIA*, *NextGen, OMNEO*, *ORBIFLO*, *ORBITA*, *PRIMOVE*, *REGINA*, *SPACIUM*, *Smart Maintenance*, *Smart Parts*, *Smart Services*, *TALENT*, *TRAXX*, *TWINDEXX*, *WAKO*, *XR* and *ZEFIRO* are trademarks belonging to Bombardier Inc. or its subsidiaries.

(3) This Annual Information Form contains references to trademarks of third parties for the purpose of describing Bombardier's competitive environment and the development of its business.

(4) In this Annual Information Form, the term “Bombardier” means, as required by the context, the Corporation and its subsidiaries on a consolidated basis or the Corporation or one or more of its subsidiaries. The term “Transportation” refers to the Corporation's transportation reportable segment, the term "Business Aircraft" refers to the Corporation's new business aircraft reportable segment, the term “Commercial Aircraft” refers to the Corporation's new commercial aircraft reportable segment, the term “Aerostructures and Engineering Services” refers to the Corporation's new aerostructures and engineering services reportable segment and the term “Aerospace” refers, as the context may require prior to January 1, 2015, to the Corporation's prior aerospace reported segment, or since, January 1, 2015, collectively to Business Aircraft, Commercial Aircraft and Aerostructures and Engineering Services.

(5) Information is as at December 31, 2014, unless otherwise noted.

TABLE OF CONTENTS

[1] As filed on SEDAR (www.sedar.com) on February 12, 2015.

CORPORATE STRUCTURE

INCORPORATION OF THE ISSUER

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

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

SUBSIDIARIES

The activities of the Corporation are conducted either directly or through its subsidiaries. The table below lists the principal subsidiaries of each reportable segment of the Corporation as at December 31, 2014, as well as their jurisdiction of incorporation and the percentage of voting shares held directly or indirectly by the Corporation. Certain subsidiaries whose total assets did not represent more than 10% of the Corporation's consolidated assets or whose revenues did not represent more than 10% of the Corporation's consolidated revenues as at December 31, 2014[1], have been omitted. The subsidiaries that have been omitted represent, as a group, less than 20% of the consolidated assets and revenues of the Corporation as at December 31, 2014.

Aerospace	
Bombardier Aerospace Corporation (Delaware)	100%
Learjet Inc. (Kansas)	100%
Short Brothers PLC (Northern Ireland)	100%

Transportation	
Bombardier Transit Corporation (Delaware)	100%
Bombardier Transportation Canada Inc. (Canada)	100%
Bombardier Transportation Financial Services S.à r.l. (Luxembourg)	100%
Bombardier Transport France S.A.S. (France)	100%
Bombardier Transportation GmbH (Germany)	100%
Bombardier Transportation (Holdings) UK Ltd. (United Kindgom)	100%
Bombardier Transportation (Holdings) USA Inc. (Delaware)	100%
Bombardier Transportation Italy S.p.A. (Italy)	100%
Bombardier Transportation Sweden AB (Sweden)	100%
Bombardier Transportation (Switzerland) AG (Switzerland)	100%

Other	
Bombardier Corporation (Idaho)	100%

[1] Based on the Corporation's consolidated financial statements for the fiscal year ended December 31, 2014 filed on SEDAR (www.sedar.com) on February 12, 2015.

GENERAL DEVELOPMENT OF THE BUSINESS

GENERAL

The Corporation is the world's largest manufacturer of both planes and trains operating within aerospace and rail transportation through the following four business segments[1]: Business Aircraft, Commercial Aircraft, Aerostructures and Engineering Services and Transportation. Looking far ahead while delivering today, the Corporation is evolving mobility worldwide by answering the call for more efficient, sustainable and enjoyable transportation everywhere. The Corporation's products, services, and most of all its employees, are what make it a global leader in transportation.

[1] Prior to January 1, 2015, the Corporation operated under two broad business segments: Aerospace and Transportation.

HISTORY

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

On February 10, 2012, Aerospace announced that the airline PT. Garuda Indonesia (Persero) Tbk had signed a firm order for six *CRJ1000 NextGen* regional jets and taken options on another 18. Based on 2012 list prices, the airline's firm order was valued at approximately $297 million and could increase to approximately $1.32 billion should all 18 options be exercised.

On March 8, 2012, Bombardier announced that it had successfully closed its issuance of $500 million of 5.75% Senior Notes due on March 15, 2022 at par. Bombardier used the net proceeds of this offering to finance the repayment and retirement at maturity of Bombardier's 6.75% Notes due May 1, 2012 ($151 million) and for general corporate purposes.

On March 9, 2012, Aerospace announced that Eurolot S.A. of Warsaw Poland ("Eurolot") had placed a firm order to acquire eight *Q400 NextGen* airliners and had taken options on an additional 12 *Q400 NextGen* aircraft. Based on list prices, the firm order contract is valued at approximately $246 million and the contract value would increase to $625 million should all 12 options be converted into firm orders. On June 19, 2012, Aerospace announced that it had signed a five-year agreement under its *Q400 Smart Parts* Program with Eurolot. On September 4, 2012, Aerospace announced that Eurolot had converted options on six *Q400 NextGen* airliners to a firm order that increased its fleet to 14 *Q400 NextGen* aircraft. On December 9, 2013, Aerospace announced that Eurolot had enrolled its three newest *Q400 NextGen* aircraft in the *Smart Parts* Program.

On March 28, 2012 and April 13, 2012, Aerospace announced that following certification from the European Aviation Safety Agency ("EASA") and the United States Federal Aviation Administration ("FAA"), the *Bombardier Vision* Flight Deck entered into service on schedule on the *Global 5000* and the *Global 6000* aircraft.

On March 30, 2012, Bombardier announced that it had closed an unsecured €500 million (then approximately $665 million) revolving facility with a syndicate of international financial institutions. The facility was set up for the sole benefit of Transportation and was dedicated to supporting the general corporate purposes of Transportation. On March 27, 2014, Bombardier announced that it successfully extended the availability of Transportation's and Aerospace's letter of credit facilities by an additional year to May 2017 and June 2017, respectively. The maturity dates of the revolving credit facilities were also extended by one year to March 2016 and June 2017 respectively.

On May 1, 2012, Aerospace inaugurated its first All-Series Operators Conference General Session by announcing that it signed a comprehensive, five-year agreement with Luxair Airline to extend Bombardier *Smart Parts* program coverage for European *Q400* turboprop operator Luxair, the national airline of the Grand Duchy of Luxembourg.

On May 14, 2012, Aerospace launched the *Learjet 70* and *Learjet 75* aircraft programs. These new jets represent the evolution of the *Learjet 40 XR* and *Learjet 45 XR* aircraft, and feature a new interior, new cabin management system, the *Bombardier Vision* Flight Deck and an improved engine. The *Learjet 75* and *Learjet 70* were certified in November

2013 and December 2013, respectively. On September 12, 2014, Bombardier announced that the *Learjet 70* and *Learjet 75* aircraft received full type certification from EASA. On December 6, 2014, Bombardier announced that the *Learjet 70* and *Learjet 75* aircraft received full type certification from the Civil Aviation Authority of Mexico, the Dirección General de Aeronáutica Civil (DGAC).

On June 4, 2012, Transportation announced that it had signed a contract for 300 subway cars with the Metropolitan Transportation Authority to be delivered to New York City Transit. The order is valued at approximately $599 million.

On June 11, 2012, Aerospace announced a firm order from NetJets Inc. for 100 *Challenger* business jets with options for an additional 175 aircraft. Bombardier also announced a long-term aftermarket support agreement with NetJets for a term of up to 15 years, which was valued at $800 million, assuming certain aircraft usage projections. The transaction for the firm aircraft order was valued at approximately $2.6 billion based on 2012 list prices. If all the options were exercised, the total value of the order would be approximately $7.3 billion, and the aftermarket agreement would be valued at up to $2.3 billion, for a combined sale and aftermarket agreement valued at approximately $9.6 billion.

On June 14, 2012, Transportation announced that it had signed a contract with the San Francisco Bay Area Rapid Transit District ("BART") for the supply of 260 new rail cars. The order is valued at approximately $631 million. The contract includes options which, if exercised, would bring the total number of cars ordered to 775 and the total value of the order to approximately $1.5 billion. On June 26, 2012, Transportation announced that BART confirmed the exercise of an option for 150 additional rail cars valued at approximately $266 million. With this option, Transportation had firm orders for 410 cars with a total value of approximately $897 million. On January 7, 2014, Transportation announced that BART confirmed an order for 365 additional rail cars, valued at approximately $639 million.

On June 20, 2012, Aerospace announced that Nordic Aviation Capital signed a firm order for 12 *CRJ1000 NextGen* regional jets to be leased to PT. Garuda Indonesia (Persero) Tbk. Based on 2012 list prices, the airline's firm order was valued at approximately $595 million.

On June 29, 2012, Transportation announced that it will supply 210 double-deck commuter train cars for line A of the RER, the Greater Paris commuter network. The new order is an option under a contract signed in April 2009 for a firm order of 60 MI09 trains. The order is valued at a total of approximately €1 billion (then approximately $1.3 billion). As a consortium member responsible for one third of the order, Transportation's share will amount to approximately €336 million (then approximately $417 million).

On July 8, 2012, Aerospace announced that a new customer placed a conditional order for five *CS100* and 10 *CS300* jetliners. On October 18, 2013, Aerospace announced that the customer was CDB Leasing Co., Ltd., one of China's top leasing companies. The purchase agreement also included options on an additional five *CS100* and 10 *CS300* aircraft, for a total of up to 30 *CSeries* aircraft. Based on 2012 list prices of the *CS100* and *CS300* aircraft, the contract was valued at approximately $1 billion. Should all 15 options be exercised, the value of the contract would increase to $2.07 billion.

On August 1, 2012, Aerospace announced that a conditional order placed by WestJet was converted to a firm purchase agreement for up to 45 *Q400 NextGen* airliners. The transaction included a firm order for 20 *Q400 NextGen* aircraft and options on an additional 25 aircraft. Based on 2012 list prices, this firm order was valued at approximately $683 million, and could increase to approximately $1.6 billion should the 25 options be converted to firm orders.

On November 7, 2012, Transportation announced measures to improve its competitiveness and cost structure. These measures included the closure of a plant in Aachen, Germany, and the reduction of direct and indirect personnel by approximately 1,200 employees worldwide, including Aachen.

On November 27, 2012, Aerospace announced that VistaJet, a world-leading luxury aviation company and exclusive operator of Bombardier business aircraft, signed a deal for up to 142 *Global* business jets which includes firm orders for 56 *Global* jets and options for a further 86 *Global* jets. Based on 2012 list prices, the transaction could be valued at more than $7.8 billion should all options be exercised and the value of the firm order is approximately $3.1 billion.

On December 6, 2012, Aerospace announced that Delta Air Lines, Inc. of Atlanta, Georgia placed a firm order for 40 *CRJ900 NextGen* regional jets and took options on an additional 30 *CRJ900 NextGen* aircraft. Based on 2012 list prices, the firm order was valued at approximately $1.9 billion, and could reach approximately $3.29 billion should the 30 options be converted to firm orders.

On December 7, 2012, Transportation and Shanghai Shentong Metro Group Co., Ltd. announced the formation of a joint venture company, Shentong Bombardier (Shanghai) Rail Transit Vehicle Maintenance Company Ltd. The joint venture focuses on the repair and maintenance of urban mass transit vehicles in China, offering customers the services of daily maintenance, intermediate repairs, overhauls, refurbishment and technical consultation.

On December 20, 2012, Aerospace announced that Riga, Latvia-based Air Baltic Corp signed a firm purchase agreement to acquire 10 *CS300* airliners and options on a further 10 *CS300* aircraft. Based on 2012 list prices, this firm order was valued at approximately $764 million, and could increase to $1.6 billion should the 10 options be converted to firm orders.

On December 21, 2012, Transportation announced that Ontario's Metrolinx/GO Transit exercised options for 10 years of fleet operations and maintenance services for its commuter rail system serving the city of Toronto and surrounding regions. The total value of these two contracts, which are extended to 2023, is $937 million.

On January 14, 2013, Bombardier announced that it successfully closed its issuance of $2 billion of new Senior Notes. The issuance is comprised of $750 million of 4.250% Senior Notes due January 15, 2016, and $1.3 billion of 6.125% Senior Notes due January 15, 2023, sold at par in both cases.

On February 20, 2013, Aerospace and Pratt & Whitney announced that Pratt & Whitney successfully achieved Transport Canada type certification of its first PurePower Geared Turbofan™ engine - the PW1500G engine that will power Bombardier's *CSeries* aircraft.

On February 20, 2013, Moscow-based, national leasing company, Ilyushin Finance Co. ("IFC"), signed a purchase agreement to acquire 32 *CS300* aircraft and options for an additional 10 *CS300* aircraft. Based on the list price for the *CS300* aircraft, a firm order from IFC for 32 aircraft would be valued at approximately $2.6 billion. Should IFC also exercise its 10 options, the contract would have a total value of approximately $3.4 billion.

On March 12, 2013, Bombardier announced the appointment of Lutz Bertling as President and Chief Operating Officer of Transportation, effective June 3, 2013.

On April 10, 2013, Aerospace announced that Porter Airlines signed a conditional purchase agreement for 12 *CS100* airliners, with options for an additional 18 *CS100* aircraft. The agreement also included purchase rights for six additional *Q400 NextGen* aircraft. A firm-order contract would be valued at approximately $870 million and could increase to $2.1 billion should the 18 options also be converted to firm orders. Should Porter Airlines also exercise the six purchase rights for *Q400 NextGen* aircraft, the contract value would increase to $2.3 billion.

On May 20, 2013, Aerospace announced the addition of the new *Challenger 350* aircraft to its *Challenger* family of business jets. This new jet represents the evolution of the *Challenger 300*.

On June 6, 2013, Transportation announced that it won an order from SL, the Stockholm Public Transport Authority, to deliver the new generation C30 metro fleet for Stockholm, Sweden, with a contract to provide 96 *MOVIA* metro vehicles. The contract includes an option for up to 80 further vehicles. The firm order was valued at approximately $771 million.

On June 18, 2013, Aerospace announced that VistaJet placed a firm order for 20 *Challenger 350* jets and options for an additional 20 *Challenger 350* jets. The transaction for the firm aircraft order was valued at approximately $518 million based on 2013 list prices. If all options are exercised, the total value of the order would be approximately $1 billion, based on 2013 list prices.

On June 18, 2013, Aerospace announced that it received orders for 12 *Global 8000* business jets at the Paris Airshow from an undisclosed customer. The transaction was valued at approximately $804 million, based on the 2013 list price for typically equipped aircraft.

On June 18, 2013, Transportation announced it signed a frame contract with Deutsche Bahn AG ("DB") for the delivery of electric locomotives. The total potential contract value is up to €1.5 billion (then approximately $2 billion) and includes options for the call-off of up to 450 locomotives by the year 2020. The first call-off of 110 locomotives for DB Schenker Rail and 20 for DB Regio was exercised on June 17, 2013. Based on list price, the value of 130 locomotives would be €430 million (then approximately $573 million).

On July 3, 2013, Transportation premiered the Frecciarossa 1000 very high speed train, which was developed in partnership with Ansaldo Breda, at its Vado Ligure site in Italy. Regular passenger service is expected for June 2015.

On July 10, 2013, Aerospace announced that it was continuing to enhance its worldwide aftermarket support network with a new Regional Support Office (RSO) and parts depot in Johannesburg, South Africa. The office and depot will anchor regional support capabilities for Bombardier business and commercial aircraft customers in Africa.

On August 28, 2013, Aerospace, Bombardier and Rostekhnologii ("Rostec"), a state corporation controlled by the Russian Federation, announced that they signed a series of preliminary agreements including a letter of intent for the sale of 50 *Q400 NextGen* aircraft valued at approximately $1.7 billion based on 2013 list prices and a Market Development Agreement with Rostec and its aircraft leasing subsidiary, Avia Capital Services, that also provided an option to purchase at least 50 additional *Q400 NextGen* aircraft. The parties also concluded a memorandum of understanding to validate the opportunity to set up a *Q400 NextGen* final assembly line in Russia. Should definitive agreements be reached, a firm-order purchase agreement for all 100 *Q400 NextGen* aircraft would be valued at approximately $3.4 billion.

On September 5, 2013, Aerospace announced that a newly created company, Flexjet, LLC, funded by a group led by Directional Aviation Capital placed an order for up to 245 Bombardier business jets. The firm order included 85 business jets, featuring *Challenger 350*, *Challenger 605*, *Learjet 75* and *Learjet 85* jets. The order also included options for an additional 160 business jets. Should all options be exercised, the total value of the order would be approximately $5.2 billion. On October 21, 2013, Aerospace announced that Flexjet, LLC converted options for 30 *Learjet 85* jets into a firm order, in addition to the 30 *Learjet 85* already ordered on September 5, 2013 for a total of 60 *Learjet 85* jets valued at approximately $1.2 billion, based on the 2013 list price. Additionally, Flexjet, LLC procured incremental options for 20 *Learjet 85* aircraft. This latest transaction increased the total firm aircraft order to $2.4 billion for 115 aircraft and 150 options. Should all options be exercised, the total value of the order would increase from $5.2 billion to $5.6 billion. On December 5, 2013, Bombardier announced the closing of the sale of Flexjet's activities to Flexjet, LLC. The purchase price is estimated at $180 million, following purchase price adjustments, including the assumption of an estimated $71 million of customer advances by the acquirer.

On September 10, 2013, at a world premiere in Braunschweig, Germany, Transportation launched the first high power inductive charging station for *PRIMOVE* electric buses together with the local transport operator Braunschweiger Verkehrs-AG.

On September 16, 2013, Aerospace celebrated the successful first flight of its *CSeries* aircraft.

On November 19, 2013 Aerospace announced that Iraqi Airways signed a letter of intent to acquire five *CS300* mainline jetliners including options on 11 *CS300* aircraft. Based on the list price for the *CS300* aircraft, a firm order would be valued at approximately $387 million and could increase to $1.3 billion if the 11 options were converted to firm orders. Pursuant to this letter of intent, on December 4, 2013, Aerospace announced that Iraqi Airways signed a firm purchase agreement to acquire five *CS300* mainline jetliners including options on 11 *CS300* aircraft.

On November 22, 2013, Aerospace and the Tianjin Airport Economic Area announced that they signed a letter of agreement to increase aircraft maintenance services in Mainland China. The agreement is a first step toward the creation of a joint venture, which is intended to result in the construction of a maintenance facility in 2016. Located in Tianjin, China, the facility would support the maintenance, repair, overhaul, and associated activities and services for all Bombardier business aircraft and, subject to certain conditions, on Bombardier commercial aircraft.

On December 12, 2013, Aerospace announced that American Airlines Group Inc., of Fort Worth, Texas signed a firm purchase agreement to acquire 30 *CRJ900 NextGen* aircraft and options for an additional 40. Based on the 2013 list price for the *CRJ900 NextGen* aircraft, the firm order contract was valued at approximately $1.4 billion and could increase to approximately $3.4 billion should the 40 options be converted into firm orders.

On December 31, 2013, Aerospace announced that it received a firm order for 38 Bombardier business aircraft, including 28 *Global* business jets and 10 *Challenger 605* business jets, from an undisclosed customer. The transaction is valued at approximately $2.2 billion, based on 2013 list prices for typically equipped aircraft.

On January 1, 2014, Transportation established a new organizational structure composed of four parts: Rolling Stock Regions, the BT Core consisting of value chain functions, Global Businesses and Group Headquarters, to further empower project management, reduce organizational layers and overhead costs, speed up decision making, implement leaner processes and foster upfront product development and standardization.

On January 16, 2014, Aerospace announced that Dammam-based Al Qahtani Aviation Company signed a firm purchase agreement for 16 *CS300* aircraft with options for an additional 10 *CS300* jetliners to be operated by SaudiGulf Airlines, a newly launched national carrier based in the Kingdom of Saudi Arabia. Based on the 2014 list price of the aircraft, the firm order for the 16 *CS300* aircraft was valued at approximately $1.2 billion. Should all 10 options be exercised, the value of the contract would increase to $2 billion.

On January 16, 2014, Aerospace confirmed that the *CS100* aircraft's entry-into-service is now scheduled for the second half of 2015 and will be followed by the *CS300* aircraft's entry-into-service approximately six months afterwards.

On January 17, 2014, Transportation announced that, as part of a consortium with John Laing, ITOCHU Corporation and Uberior, it entered into a contract valued at approximately $4.1 billion with the State of Queensland, Australia, for the New Generation Rollingstock Project. Bombardier's share of the contract, which consists of the supply of 75 electrical multiple units, a new depot and maintenance for 30 years, was valued at $2.7 billion.

On February 6, 2014, Transportation was notified by Transport for London ("TfL") and the Department for Transport of their intention to award Transportation a contract for Crossrail. On February 19, 2014, Transportation announced that it signed a contract with TfL valued at approximately $2.1 billion. The contract between TfL and Transportation covers the supply, delivery and maintenance of 65 new trains and a depot at Old Oak Common.

On February 11, 2014, Aerospace inaugurated its full-scale, company-owned service centre and opened its regional support office in Singapore.

On February 19, 2014, Aerospace announced that *Learjet* obtained the first flight test permit from the FAA for the *Learjet 85* aircraft Flight Test Vehicle 1 (FTV1), and that engine run and low-speed taxi testing had been successfully completed on FTV1. On April 9, 2014, Aerospace announced that the *Learjet 85* aircraft successfully completed its first flight.

On March 7, 2014, Aerospace announced the opening of a new Regional Support Office (RSO) in Toluca, Mexico. The office will anchor regional support capabilities for Bombardier business aircraft customers throughout Mexico, and surrounding areas.

On March 17, 2014, Transportation announced that Bombardier Transportation South Africa (Pty) Ltd. signed a contract with Transnet Freight Rail (TFR) for the delivery of 240 electric *TRAXX* Africa locomotives, which are set to be part of a complete fleet renewal program. Bombardier's total contract value based on the 2014 list price is approximately $1.2 billion. The order is part of the largest locomotive supply project in South Africa's history, with overall orders for 599 electric and 465 diesel locomotives from four different suppliers.

On April 3, 2014, Bombardier announced that it successfully closed its issuance of $1.8 billion of new Senior Notes. The issuance is comprised of $600 million of 4.75% Senior Notes due April 15, 2019, and $1.2 billion of 6.00% Senior Notes due October 15, 2022, sold at par in both cases.

On May 1, 2014, Transportation announced its purchase of a 100% stake in the Australian signalling company Rail Signalling Services (RSS). RSS is an integrated signalling engineering and services supplier with a strong presence in the market, particularly in Victoria and Southern Australia.

On May 6, 2014, Bombardier announced that it had redeemed all of its 7.25% Senior Notes due 2016.

On May 12, 2014, Aerospace announced the achievement of key product development milestones on the *Global 7000* and *Global 8000* aircraft program with the start of production and assembly of major structure for the first Flight Test Vehicle (FTV1) of the *Global 7000* and *Global 8000* aircraft program.

On June 13, 2014, Transportation unveiled its Omneo Premium train for intercity travel at 200km/h.

On June 25, 2014, Aerospace announced that it received certification from the FAA for its *Challenger 350* business aircraft, and that Transport Canada certification was granted on June 12, 2014. On June 27, 2014, Bombardier announced the official entry-into-service of the *Challenger 350* aircraft. On September 2, 2014, Bombardier announced that the *Challenger 350* aircraft received full type certification from EASA.

On June 30, 2014, Aerospace announced that a customer placed a firm order for 16 *CRJ900 NextGen* regional jets and also took options for eight additional airliners of the same type. On November 8, 2014, Aerospace announced that the customer was China Express Airlines (China Express), China’s sole specialized regional airline. Based on the 2014 list price for the *CRJ900 NextGen* aircraft, the firm order was valued at approximately $727 million. The value could increase to $1.12 billion should China Express exercise its options.

On July 10, 2014, Aerospace announced the opening of a new Regional Support Office (RSO) in Dubai, United Arab Emirates. The office - the 23rd Bombardier RSO to open in the network - will anchor regional support capabilities for Bombardier commercial aircraft customers throughout the Middle East and surrounding areas.

On July 12, 2014, Aerospace announced that Falko Regional Aircraft Limited (Falko) signed two letters of intent in relation to the purchase of up to 24 firm Bombardier *CS100* mainline jets.

On July 14, 2014, Aerospace announced that Zhejiang Loong Airlines Co., Ltd. (Loong Air) signed a letter of intent to acquire 20 *CS100* airliners. Based on the list price for the *CS100* aircraft, a firm order for 20 *CS100* aircraft would be valued at approximately $1.28 billion.

On July 23, 2014, Bombardier announced a new organizational structure to be implemented by January 1, 2015, comprised of four business segments: Transportation, Business Aircraft, Commercial Aircraft and Aerostructures and Engineering Services. Aerospace group functions and the Customer Services division were absorbed into the three aerospace business segments, generating reductions in cost and overhead. The new Aerostructures and Engineering Services business segment specializes in the design and development of complex advanced composite and metallic aerostructures in all classes of civil aircraft and all categories of structure, including fuselages, wings and engine nacelles. As a result of this reorganization, Aerospace's then President and Chief Operating Officer, Guy Hachey, retired. As announced on July 31, 2014, the restructuring resulted in a reduction of approximately 1,800 indirect positions in Aerospace.

On August 20, 2014, Bombardier announced the appointment of Jean Séguin as President, Aerostructures and Engineering Services.

On August 29, 2014, Transportation announced the opening of a new Kuala Lumpur (KL) hub to support rail projects in Malaysia and the Asia Pacific region.

On September 26, 2014, Aerospace announced that a wholly owned affiliate of Macquarie AirFinance signed a firm purchase agreement for 40 *CS300* jetliners and took options on an additional 10 *CS300* aircraft.

On October 19, 2014, Aerospace announced the addition of the new *Challenger 650* aircraft in its *Challenger* family of business jets. This new jet represents the evolution of the *Challenger 605*.

On November 5, 2015, Transportation announced that it signed an agreement with CSR Puzhen Co. Ltd to create a joint venture to develop and manufacture *INNOVIA* vehicles for urban and airport transit systems in China.

On November 6, 2014, Aerospace celebrated the official opening of its newest Regional Sales and Marketing Office in São Paulo, Brazil as part of its continued focus on regionalizing to be closer to its customers.

On January 15, 2015, Bombardier announced the pause of its *Learjet 85* business aircraft program due to weak market demand in that segment and following a downward revision of Bombardier's business aircraft market forecast, which will result in a pre-tax special charge of approximately $1.4 billion in the fourth quarter of 2014 and a workforce reduction of approximately 1,000 employees in 2015. Bombardier also announced the revision of previously announced financial guidance for 2014 following a review of preliminary results compiled by Bombardier for the fiscal year ended December 31, 2014.

On January 30, 2015, the *ZEFIRO 380* very high speed train received homologation in China.

On February 9, 2015, Commercial Aircraft announced that American Airlines, Inc., a wholly owned subsidiary of American Airlines Group Inc., American Airlines, Inc. (“American”), a wholly owned subsidiary of American Airlines

Group Inc., signed a firm order for 24 *CRJ900 NextGen* regional jets. This order was announced on December 30, 2014 and followed American exercising 24 of 40 previously booked *CRJ900 NextGen* aircraft options. The options were originally acquired as part of American's large regional jet order announced on December 12, 2013.

On February 10, 2015, Transportation and New United Group announced that they finalized their agreement to establish a new joint venture for signalling and rail control in China. The new company, which will be known as Bombardier NUG Signalling Solutions Company Limited, will focus on rail transportation communication, signalling and integrated monitoring systems for the Chinese mass transit and light rail market, and be committed to introducing moving-block signalling technology for metro applications.

On February 12, 2015, Bombardier announced that Mr. Laurent Beaudoin was retiring as Chairman of the Board of Directors and remains on the Board with the honorary title of Chairman Emeritus, and that Mr. Pierre Beaudoin will be appointed Executive Chairman, while Mr. Alain Bellemare will become President and Chief Executive Officer and member of the Board of Directors. These appointments will all be effective February 13, 2015. The Corporation also announced a plan to position the Corporation with a flexible and strong financial profile. Pursuant to this plan, the Corporation intends to access the capital markets for approximately US$600 million in new equity, depending on market conditions, and to access the capital markets for up to US$1.5 billion in new debt capital, depending on market conditions. To complement this financing plan, the Corporation will explore other initiatives such as certain business activities' potential participation in industry consolidation in order to reduce debt. The Corporation also announced the suspension of the declaration of dividends on the Corporation's Class A shares and Class B subordinate shares.

NARRATIVE DESCRIPTION OF THE BUSINESS

BUSINESS OVERVIEW

Following the reorganization announced in July 2014, Bombardier has adopted a new organizational structure, effective January 1, 2015. The former Bombardier Aerospace has been divided into three segments: Bombardier Business Aircraft, Bombardier Commercial Aircraft and Bombardier Aerostructures and Engineering Services.

Business Aircraft

Business Aircraft designs, manufactures and provides aftermarket support for three families of business jets (*Learjet, Challenger* and *Global*), spanning from the light to large categories.

Commercial Aircraft

Commercial Aircraft designs and manufactures a broad portfolio of commercial aircraft in the 60- to 149-seat categories, including the *Q400 NextGen* turboprops, the *CRJ700, 900* and *1000 NextGen* regional jets as well as the clean-sheet *CSeries* mainline jet. Commercial Aircraft provides aftermarket support for these aircraft as well as for the 20- to 59-seat range category.

Aerostructures and Engineering Services

Aerostructures and Engineering Services designs and manufactures major aircraft structural components (such as engine nacelles, fuselages and wings) and provides aftermarket component repair and overhaul as well as other engineering services for both internal and external clients.

Transportation

Bombardier Transportation, a global leader in rail technology, offers the broadest portfolio in the rail industry and delivers innovative products and services that set new standards in sustainable mobility.

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

Aerospace

For a list of the Corporation’s principal subsidiaries that fall within Aerospace, see “Item 1 - Corporate Structure, section 1.2 - Subsidiaries”.

Business Aircraft

Business Aircraft has production and engineering sites in Montréal, Toronto and Wichita, and an international service and support network with a presence in over 15 countries[1], including Authorized Service Facilities.

The global headquarters of Business Aircraft is located in Dorval, Québec, Canada.

[1] Countries with Business Aircraft employees.

Market Segments

Learjet family of aircraft

Models: *Learjet 70* and *Learjet 75*

Market category: Light business jets

Competitive advantages[1]: The *Learjet* heritage of high performance is upheld by each *Learjet* product. The *Learjet* family of aircraft features exceptionally fast cruise speeds, high climb rates and operating ceilings, along with competitive operating costs.

Challenger family of aircraft

Models: *Challenger 350*, *Challenger 605* and *Challenger 650*[2]

Market Category: Medium business jets

Competitive advantages[1]: The *Challenger* family of aircraft features productivity-enhancing business tools, with the most comfortable cabins in their category. Each aircraft offers low operating costs, high reliability, and can be customized with leading-edge cabin communication equipment.

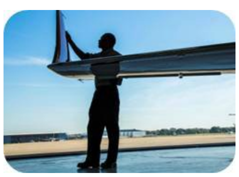
Global family of aircraft

Models: *Global 5000*, *Global 6000*, *Global 7000*[3] and *Global 8000*[3]

Market Category: Large business jets

Competitive advantages[1]: The *Global* family of aircraft offers a balance of performance, comfort and productivity for long-range missions. The *Global 7000* and *Global 8000* aircraft are being developed as an extension to the *Global* family of aircraft and are expected to give Bombardier broad market coverage in the upper end of the business aircraft market.

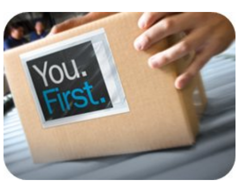
Maintenance



Services Portfolio: Extensive capabilities to accommodate maintenance, refurbishment and modification of business aircraft, as well as to dispatch mobile repair teams to Bombardier customers' aircraft.

Competitive advantages: Offering worldwide service and support through seven Bombardier wholly-owned Service Centres, 56 Authorized Service Facilities and Bombardier mobile response vehicles and aircraft.

Parts



Services portfolio: Providing new and used parts, initial provisioning services, as well as customer owned repairs.

Competitive advantages: Supporting business aircraft customers for all their parts needs, with eight parts depots worldwide and two major hubs.

[1] Under certain operating conditions, when compared to aircraft currently in service. The *Challenger 650* aircraft and the *Global 7000* and *Global 8000* aircraft are currently in development, and as such are subject to changes in family strategy, branding, capacity, performance, design and/or systems. All specification and data are approximate, may change without notice and are subject to certain operating rules, assumptions and other conditions. This document does not constitute an offer, commitment, representation, guarantee or warranty of any kind. The configuration and performance of the aircraft may differ from the descriptions and photos provided and, together with any related commitment, representations, guarantee or warranty, shall be determined in a final purchase agreement.

[2] Currently under development. Building on the success of the *Challenger 605* aircraft, the *Challenger 650* aircraft, once entered into service, will become Bombardier's production model in the large aircraft segment.

[3] Currently under development.

Smart Services

Services portfolio: A growing portfolio of innovative cost-per-flight-hour plans available for *Global, Challenger* and *Learjet* aircraft. Options include *Smart Parts, Smart Parts Plus, Smart Parts Preferred and Smart Parts Maintenance Plus*.

Competitive advantages: From coverage on exchanges and repairs of airframe system components to flight deck avionics, *Smart Services* provides budget predictability and cost protection.

Customer Support

Services portfolio: Comprehensive portfolio of business aircraft customer support including two 24-hour customer response centres, customer service engineering, a network of field service personnel, customer response team trucks and a dedicated *Learjet 45* aircraft, regional support offices, technical publications, and entry-into-service support.

Competitive advantages: Providing operators with a single point of contact, 24 hours a day, 365 days a year, for all critical and aircraft-on-the-ground requests; and supporting all customer requirements from entry-into-service throughout ownership of the aircraft by leveraging a global support network of strategically located teams.

Training

Services portfolio: Providing a complete range of flight crew and technical training services on business aircraft at two wholly-owned facilities and through a network of strategic partnerships worldwide.

Competitive advantages: As an original equipment manufacturer (OEM), Bombardier quickly modifies courseware and training devices to reflect ongoing aircraft enhancements, committed to providing a high-quality learning experience.

Principal Markets

Business Aircraft's customers are located in over 100 countries and are primarily civil owner-operators or aviation service providers. They consist primarily of corporations and high net worth individuals.

Information about Aerospace's revenues by geographic region can be found in the sections entitled "Key Performance Measures and Metrics" and "Analysis of Results" on pages 40 and 53, respectively, of the Corporation's Management's Discussion and Analysis for the year ended December 31, 2014 which may be viewed on SEDAR at www.sedar.com (the "MD&A"), which pages are incorporated by reference herein.

Distribution Methods

Aircraft ordered by customers are delivered by the Corporation or its subsidiaries. Marketing of Business Aircraft products is provided through marketing and sales offices of the Corporation or its subsidiaries. In the Americas, marketing and sales offices are located in Canada (Dorval), the United States (in the states of Kansas and Texas), Mexico and Brazil. In Europe and Russia, marketing and sales are conducted through an office in the United Kingdom. For Asia, Africa, Middle-East and Oceania, such offices are maintained in Dubai, Hong Kong, Singapore, China, India and Australia. Parts services are available from two main parts distribution hubs in Chicago and in Frankfurt. The Parts Distribution Hubs are complimented by regional depots in Australia, Brazil, China, Hong Kong, Japan, Singapore, South Africa and United Arab Emirates. Maintenance services are also available through Original Equipment Manufacturer service centres located in the United States, in Europe and in Asia Pacific as well as various authorized service and line maintenance facilities throughout the world.

Competition

The following tables illustrate Business Aircraft's competitive environment and show Business Aircraft's market share in terms of units delivered and revenues over the one-year period ended December 31, 2014 in the business aircraft category.

Business Aircraft Competitive Environment

	Light Jets			Medium Jets			Large Jets		
BOMBARDIER	*L70*	*L75*	*L60XR* *L85*[1]	*CL350*	*CL605* *CL650*	*CL800 Series*[1]	*G5000*	*G6000*	*G7000* *G8000*
	In service	In service	Paused, Paused	In service	In service, Under development	Paused	In service	In service	Under development, Under development
Cessna	In service	In service	Under development, In service	In service	Under development				
Dassault				In service	In service	In service	In service, Under development	Under development	
Embraer	In service		Under development	In service		In service			
Gulfstream			In service	In service		In service	Under development	In service, Under development	In service, In service

Products in service | Products under development | Products with production or development paused

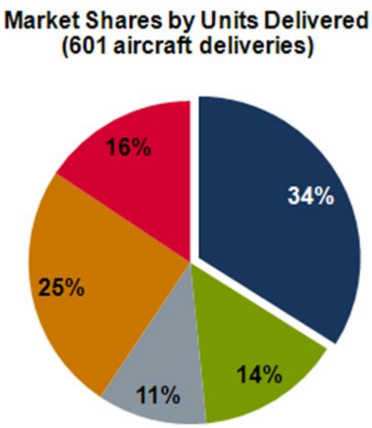
L refers to *Learjet*, CL to *Challenger* and G to *Global*

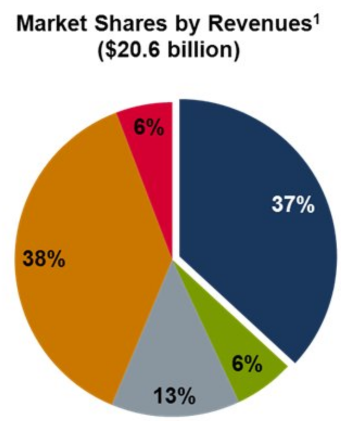
Based on Business Aircraft's assessment of the current market segmentation

[1] *Learjet 60* and *Challenger 800 Series* production is currently paused. *Learjet 85* development is currently paused.

Business Aircraft Market Share by Units Delivered and Revenues

January 1, 2014 to December 31, 2014





Sources: Business Aircraft's estimates and other public sources

[1] Based on publicly available list price information from manufacturers.

Commercial Aircraft

Commercial Aircraft has product and engineering sites in Canada (Mirabel, Toronto and North Bay), the United Kingdom (Belfast), Mexico (Querétaro) and Morocco (Casablanca), and an international service, support and sales network, with a presence in 19 countries[1].

The global headquarters of Commercial Aircraft is located in Mirabel, Québec, Canada.

[1] Countries with Commercial Aircraft employees.

Market Segments

Q-Series turboprop aircraft

Model: *Q400 NextGen*

Market segment: 60- to 90-seat turboprops

Competitive advantages[1]: The *Q400 NextGen* airliner is a fast, fuel-efficient, low-emission and highly flexible turboprop. It is the only in-production turboprop that can be configured with capacity up to 86 passengers while offering jet-like speed and an extended range, along with best-in-class seat costs.

CRJ regional jet family of aircraft

Models: *CRJ700 NextGen, CRJ900 NextGen* and *CRJ1000 NextGen*

Market segment: 60- to 99-seat regional jets

Competitive advantages[1]: Designed for hub expansion and point-to-point services, the *CRJ* aircraft family is optimized for medium to long distance regional routes. The most successful regional aircraft program, the *CRJ* family, features best-in-class: operating costs, fuel burn and emissions. The *CRJ* is constantly raising the bar with the vision of a double digit fuel burn reduction by 2020.[2]

CSeries mainline single-aisle jet family of aircraft

Models: *CS100*[3] and *CS300*[3]

Market segment: 100- to 149-seat commercial jets

Competitive advantages[4]: Designed for the growing 100- to 149-seat market, the 100% new *CSeries* aircraft family offers a 15% operating cost advantage over in-production aircraft and up to a 12% operating cost advantage over re-engined aircraft. The *CSeries* clean-sheet design ensures that the aircraft will achieve greatly reduced noise and emissions, as well as superior operational flexibility, exceptional airfield performance and a range of 2,950 NM (5,463 km).

Specialized aircraft

Models: Various Bombardier business and commercial aircraft

Competitive advantages: Specialized aircraft provide solutions for governments, agencies and specialized organizations worldwide by modifying commercial and business aircraft to suit customer needs for different mission requirements including: maritime patrol, medevac, government VIP transport, intelligence surveillance reconnaissance and communication platforms, and military transport.

[1] Under certain operating conditions, when compared to aircraft currently in service for short-haul flights up to 500 NM.
[2] Based on *CRJ900 NextGen* improvements since entry-in-to-service. Improvements are currently under development, and as such, all specification and data are approximate, may change without notice and are subject to certain operating rules, assumptions and other conditions.
[3] Currently under development. The *CSeries* aircraft program is currently in development, and as such is subject to changes in family strategy, branding, capacity, performance, design and/or systems. All specification and data are approximate, may change without notice and are subject to certain operating rules, assumptions and other conditions. This document does not constitute an offer, commitment, representation, guarantee or warranty of any kind. The configuration and performance of the aircraft may differ from the descriptions and photos provided and, together with any related commitment, representations, guarantee or warranty, shall be determined in a final purchase agreement.
[4] All data and specifications are estimates, subject to change in family strategy, branding, capacity and performance during the design, manufacture and certification process (based on 500 NM trips).

Amphibious aircraft

Models: *Bombardier 415* and *Bombardier 415 MP*

Competitive advantages: The *Bombardier 415* amphibious aircraft is the only aircraft specifically designed for aerial firefighting, offering excellent operational capabilities and exceptional performance. The *Bombardier 415 MP* is a multi-purpose aircraft that can be used for a variety of specialized missions such as search and rescue, coastal patrol, environmental protection and transportation.

Maintenance Services

Services Portfolio: Extensive capabilities to accommodate aircraft maintenance, refurbishment and modification for commercial aircraft.

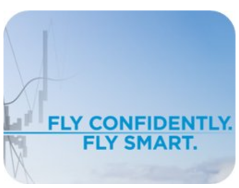
Competitive advantages: Offering worldwide service and support through Bombardier wholly-owned Service Centres, Authorized Service Facilities and the Bombardier mobile repair team.

Parts Services

Services portfolio: Providing new and used parts, initial provisioning services, as well as customer owned repairs.

Competitive advantages: Supporting customers for all their parts needs, with two parts distribution hubs, eight parts depots and three component repair and overhaul facilities worldwide.

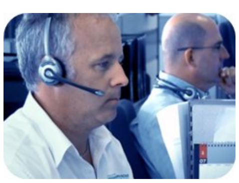
Smart Services



Services portfolio: A growing portfolio of innovative cost-per-flight-hour plans available for commercial aircraft. The adoption of the *Q400* version of the *Smart Parts* by carriers worldwide continues to provide cost protection and budget predictability for *Bombardier Q400* aircraft customers. The *Smart Parts* program was recently approved for *CSeries* aircraft operators.

Competitive advantages: From coverage on exchanges and repairs of airframe system components to flight deck avionics, the *Smart Parts* program is a key component (together with the *Smart Maintenance* program) of Bombardier's *Smart Services,* providing budget predictability and cost protection.

Support services



Services portfolio: Comprehensive portfolio of customer support including: nine regional support offices, a 24-hour customer response centre, engineering and maintenance planning, customer liaison pilots, network of field service personnel, mobile technical repair teams, modifications, technical publications, entry-into-service support and e-services.

Competitive advantages: Providing operators with a single point of contact, 24 hours a day, 365 days a year, for all critical and aircraft-on-the-ground requests; supporting all customer support through a network of strategically located teams.

Training

Services portfolio: Providing a complete range for flight crew and technical training services on commercial and amphibious aircraft at wholly-owned facilities and through a network of strategic partnerships worldwide. In addition, Bombardier has five approved training providers to provide worldwide training services under Bombardier's oversight.

Competitive advantages: High-quality learning experience. As an original equipment manufacturer (OEM), Bombardier quickly modifies courseware and training devices to reflect ongoing aircraft enhancements.

Principal Markets

Commercial Aircraft customers are located in over 90 countries and are primarily civil owner-operators or aviation service providers. They consist primarily of scheduled and charter airlines, leasing companies and government agencies.

Information about Aerospace's revenues by geographic region can be found in the sections entitled "Key Performance Measures and Metrics" and "Analysis of Results" on pages 40 and 53, respectively, of the Corporation's MD&A, which pages are incorporated by reference herein.

Distribution Methods

Aircraft ordered by customers are delivered by the Corporation or its subsidiaries. Marketing of Commercial Aircraft products is provided through marketing and sales offices of the Corporation or its subsidiaries. In the Americas, marketing and sales offices are located in Canada (in Mirabel and Toronto), the United States (in the states of Arizona, Florida, and Texas), Brazil and Argentina. In Europe, marketing and sales are conducted through offices in Germany, Russia and the United Kingdom. For Asia, such offices are maintained in Dubai, Singapore, China, India, and Japan. Commercial Aircraft parts services are available from two main distribution centres in Chicago and in Frankfurt and from spare parts depots in Hong Kong, Singapore, Sydney, Narita, Dubai, Beijing, São Paulo and Johannesburg. Maintenance services are also available through Original Equipment Manufacturer service centres located in the United States, in Europe and in Asia Pacific as well as through various authorized service and line maintenance facilities throughout the world.

Competition

The following tables illustrate Commercial Aircraft's competitive environment and show Commercial Aircraft's market share in terms of units delivered over the three-year period ended December 31, 2014 in the 20-99 seat aircraft category.

Commercial Aircraft Competitive Environment

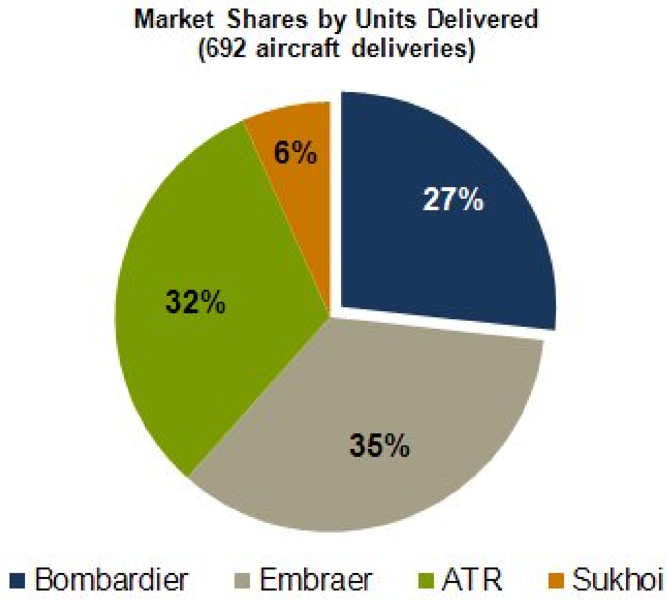
	Turboprops	Regional Jets			Commercial Jets	
	60-90 seats	60-79 seats	80-100 seats		100-119 seats	120-149 seats
BOMBARDIER	*Q400 NextGen* ●	*CRJ700 NextGen* ●	*CRJ900 NextGen* ●	*CRJ1000 NextGen* ●	*CS100* ○	*CS300* ○
ATR	●					
AVIC	● ○					
Embraer		●	● ○	●	● ○	○
COMAC			○			
Mitsubishi		○	○			
Sukhoi				●		
Airbus					●	● ○
Boeing					●	● ○

● Products in service ○ Products under development

Based on Commercial Aircraft's assessment of the current market segmentation

Commercial Aircraft Market Share by Units Delivered

20-99 seat segment, January 2012 - December 2014



Sources: Commercial Aircraft's estimates and other public sources

Aerostructures and Engineering Services

Aerostructures and Engineering Services has facilities based in six countries, including five manufacturing and engineering sites, located in Canada (Montréal), the UK (Belfast), Mexico (Querétaro), Morocco (Casablanca) and India (Bangalore). Two aerostructures after-market service centres are located in the US (Dallas) and the UK (Belfast). The global headquarters of Aerostructures and Engineering Services are located in Montréal, Québec, Canada.

Aerostructures and Engineering Services provides products and services in the following areas: the design, build and after-market services for complex composite and metallic aerostructures, including engine nacelles, cockpits, fuselage sub-assemblies and components, wing sub-assemblies and components; the design build and after-market services for system components, including electric harnesses, tubing components and high pressure ducting components; and engineering solutions including ground testing and flight test outfitting activities, aircraft structures design and stress analysis.

Principal Markets

Aerostructures and Engineering Services has a worldwide customer base composed of aircraft OEMs, engine manufacturers and aircraft operators.

Distribution Methods

Products and engineering services are delivered by Aerostructures and Engineering Services directly to its customers in North America, Europe and Asia. Marketing of Aerostructures and Engineering Services products and services is provided primarily through its facilities located in Canada (Montréal) and the UK (Belfast).

Competition

Aerostructures and Engineering Services ranks amongst the major aerostructures suppliers in a very competitive industry comprised of more than 160 companies operating at the tier one and tier two levels. Within this market, the Corporation believes that Aerostructures and Engineering Services holds a competitive advantage over other suppliers in many segments including:

- Nacelles: its capabilities to design, build and service for complete nacelles.
- Wings: one of a few suppliers with design and build capabilities for complete wings in composite materials.
- Cockpit and fuselage: offers design and build capabilities for complete integrated cockpits and fuselages.
- Composite materials: experience with a wide range of processes and technologies which include the application of resin transfer infusion (RTI) and automated fiber placement (AFP) used in nacelle components, aft pressure bulkhead and wing.
- Ground testing and flight test outfitting: offering a complete suite of ground testing and flight test outfitting services.
- Development and integration: product development and aircraft level integration capabilities.

Production Methods

Business Aircraft products are manufactured by its production facilities and other Bombardier entities located in Canada (Montréal and Toronto), the United States (Wichita), the United Kingdom (Belfast), Mexico (Querétaro) and Morocco (Casablanca) while Commercial Aircraft products are manufactured by its production facilities and other Bombardier entities located in Canada (Mirabel, Toronto and North Bay), the United Kingdom (Belfast), Mexico (Querétaro) and Morocco (Casablanca). Operations conducted in those facilities vary from manufacturing and assembly of aircraft components and parts to final aircraft assembly, interior finishing, painting and pre-flight activities.

Aerostructures and Engineering Services activities take place at its facilities in Canada (Montréal), the UK (Belfast), Mexico (Querétaro), Morocco (Casablanca), US (Dallas) and India (Bangalore). Operations conducted in these facilities vary from design, manufacturing and aftermarket services to ground testing and flight test outfitting activities.

The raw materials, various components, items and systems required to manufacture the aircraft and the aerostructures and system components are procured around the world and procurement varies from product to product. Most of these materials, components and systems are provided by suppliers with which Aerospace has long-term contracts. Aerospace seeks long-term relationships with major direct and indirect suppliers for the development of new aircraft programs and for the delivery of materials, major systems and components to build and deliver aircraft and support customers with related services. Aerospace is continuously assessing and streamlining its supplier base to ensure an efficient global supply chain and sustainable procurement processes. Within its supply chain, Aerospace has built relationships with suppliers in production, indirect goods and services and aftermarket in over 70 countries.

New Products and Product Development

Information about Aerospace's new products and product development can be found in the section entitled "Analysis of Results" on pages 58 to 60 of the Corporation's MD&A, which pages are incorporated by reference herein.

Transportation

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

Transportation has 65 production and engineering sites and 20 service centres in 28 countries**.**

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

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

Market Segments

Rolling Stock

Intercity, high speed trains and very high speed trains

Application: Equipment for medium and long-distance operations

Major products: *REGINA, TWINDEXX* Express, *ZEFIRO* family

Competitive advantages: Solutions offering very high operating flexibility, high comfort and safety standards for the passengers in combination with high efficiency covering the full spectrum of speed requirements: intercity (160-200 km/h), high speed (200-250 km/h) and very high speed (250-380 km/h).

Commuter and regional trains

Application: Suburban and regional rail transit for urban centres and surrounding regions

Major products: *OMNEO, SPACIUM, TALENT2, TWINDEXX* Vario and *ELECTROSTAR*

Competitive advantages: Broad product line featuring electric, diesel and dual mode multiple unit trains/vehicles, along with locomotive-hauled coaches in both single and double-deck configurations. Bombardier's modular train platforms offer very high flexibility to transit authorities and operators, as well as highest levels of comfort and capacity.

Light Rail Vehicles

Application: Efficient surface transit in urban centres with highest standards in the areas of comfort, security and environmental protection

Major products: *FLEXITY* family (*FLEXITY2*, Outlook, Freedom, Berlin, Classic, Swift)

Competitive advantages: The broad portfolio of *FLEXITY* vehicles with high technical capabilities, low life-cycle costs together with Bombardier's profound and long-lasting customer relationships make its light rail vehicles the first choice in the market. In 2014, Transportation won the Good Design award for its Australian *FLEXITY* tram projects in Melbourne and Gold Coast.

Metros

Application: High-capacity mobility for urban mass transit

Major Products: *MOVIA* and *INNOVIA* platforms

Competitive advantages: Flexible modular product platform adaptable to the requirements of customers across diverse markets, with a track record of rapid, reliable, cost and energy efficient operation, including driverless solutions.

Electric and diesel locomotives

Application: Locomotives for intercity, regional and freight rail service

Major Products: *TRAXX* platform, *ALP* electric and dual-power locomotives

Competitive advantages: Versatile product platform offering electric, diesel-electric, dual power and multi-system propulsion, last-mile diesel or battery drive features. Innovative solutions increase power and reliability capacity in combination with high energy efficiency. Homologated in 18 countries in Europe, enabling cross-border service.

Rolling Stock Components

Propulsion and controls

Application: Complete propulsion and control product portfolio for all rail vehicles and e-mobility applications, including traction and auxiliary converters, traction motors and train control and management systems for onboard solutions.

Major Products: *MITRAC* permanent magnet motor and *ORBIFLO* monitoring system

Competitive advantages: A leader in reliability, modular design, energy efficiency and ease of maintenance technologies, applicable to the full spectrum of rolling stock.

Bogies

Application: Complete solutions for our full product portfolio and also third-party businesses

Major Products: *FLEXX* bogie portfolio including the latest technologies: *FLEXX* Eco, *FLEXX* Urban, *FLEXX* Speed, *FLEXX* Power and the award-winning *WAKO* technology

Competitive advantages: Advanced product technology and complete aftermarket services covering the full spectrum of rolling stock applications. Bombardier's track-friendly bogies are designed to ensure safe and smooth operation and reduce wheel and rail wear, minimizing operational costs and noise.

Systems

Mass transit and airport systems

Application: Fully Automated People Mover (APM), metro, monorail and light rail systems

Major Products: *INNOVIA* APM 300 system, *INNOVIA* Monorail 300 system, *INNOVIA* Metro 300 system, *FLEXITY 2* tram systems

Competitive advantages: Broad rolling stock portfolio for urban and airport applications that can be customized to provide a complete turnkey solution system. Strong track record of reliability and availability across 60 complete systems around the world.

Mainline systems

Application: System solutions for intercity and high speed applications covering medium- to long-distance operations

Competitive advantages: Turnkey solution system approach to provide reliable rail systems for mainline applications featuring very high passenger comfort and safety standards. Highly experienced in systems integration and engineering as well as in operations and maintenance.

Operations and maintenance of systems

Application: Operations and maintenance (O&M) services for fully automated transit and mass transit systems

Competitive advantages: Strong O&M experience in automated, driverless technologies, including APM, metro and monorail systems as well as fleet management solutions for urban and intercity transportation systems.

PRIMOVE e-mobility

Application: Bombardier's *PRIMOVE* portfolio offers vehicle manufacturers and operators a flexible package of zero-emission e-mobility solutions for several types of electric rail and road vehicles such as trams, buses, trucks and cars. The fully integrated system of fast inductive charging, long-life batteries and efficient propulsion equipment allows cities and the transportation industry to easily incorporate electric mobility.

Major products: *PRIMOVE* charging, *PRIMOVE* battery, *PRIMOVE* propulsion

Competitive advantages: Bombardier develops unique solutions for true e-mobility. *PRIMOVE* provides a convenient, automatic and wireless energy supply system that allows electric vehicles to be charged dynamically and statically at high power levels without affecting driving habits or journey times. It delivers high power battery systems that are optimized for a long lifetime. The *PRIMOVE* opportunity-charging concept has been designed to achieve even longer battery life and to reduce battery size when compared to pure-electric bus. The *PRIMOVE* propulsion and controls system integrates the electrical driveline with clever interfaces for all major vehicle components to boost the overall efficiency and performance of electric buses.

Signalling

Mass transit signalling

Application: Rail control and signalling solutions for mass transit systems such as metros, light rail or APMs

Major products: *CITYFLO*

Competitive advantages: Complete portfolio of solutions ranging from manual applications to fully automated Communication-Based Train Control (CBTC), which helps to increase infrastructure capacity and can be installed without interruption to service.

Mainline signalling

Application: Rail control and signalling solutions for mainline railways ranging from freight traffic to regional/commuter, intercity and high speed lines

Major products: *INTERFLO* and *EBI* Cab Automatic Train Control (ATC) onboard equipment

Competitive advantages: Complete portfolio of conventional signalling systems which uses the European Rail Traffic Management System (ERTMS) technology and is already functioning in several countries inside and outside of Europe. Bombardier is the only supplier deploying moving block technology on non-mass transit lines.

Industrial signalling

Application: Rail control and signalling solutions for industrial sector, major application in the surface and sub-surface mining industry

Major products: *INTERFLO* 150

Competitive advantages: Innovative signalling system technologies used to increase transport capacity in a secure and cost effective manner. Bombardier's technology covers the whole process, enhancing not only the underground operation, but also the transfer of ore from the excavation site to the transportation hub.

Services

Material solutions

Application: Supply chain, spare parts inventory management, obsolescence management and technical support services for rail operators

Competitive advantages: Advanced material supply solutions together with global engineering and purchasing power through global network of parts and components suppliers. Logistics capability to source and deliver what is needed, when needed, where needed.

Fleet management

Application: Comprehensive portfolio of fleet and operations management services

Competitive advantages: Robust and effective 'back office' solutions support rail operators in delivering their 'front line' service every day. Engineering expertise, whole life maintenance techniques and tools optimize availability, reliability, punctuality, safety and cost over the whole life cycle of the fleet.

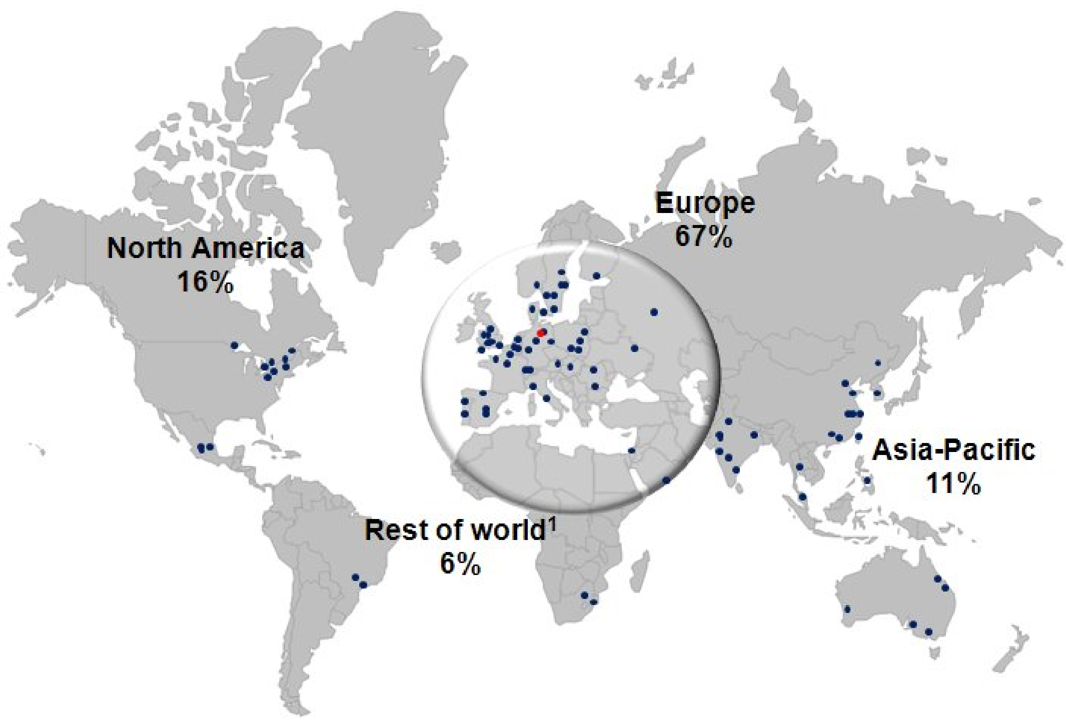
Asset life management, component re-engineering and overhaul

Application: Upgrade, life extension and overhaul of rail vehicles and components

Competitive advantages: Broad portfolio of system and component upgrades executed at Bombardier's specialist facilities as well as customer sites. Bombardier leverages its engineering and supply chain strength to bring operational performance and whole life cost advantages. More than 4,000 vehicles have been refurbished. Experience in more than 4,000 different component types.

Principal Markets

Revenues by Geographic Region



Total Transportation revenues: $9.6 billion[2]

• Global headquarters

[1] The Rest of world region includes South America, Central America, Africa, the Middle East and the Commonwealth of Independent States (CIS).

[2] For fiscal year ended December 31, 2014.

Customers of Transportation compete with air and road-based transportation, making passenger safety and comfort, travel times, efficiency, service reliability and capacity important competitive factors. Key factors in rail procurement tenders are compliance with customer specifications, product reliability, maintainability, availability, safety, price and life cycle cost, energy efficiency and design. Additionally, local content in products is often an important criterion to public operators. Transportation continuously focuses on customers, and follows a systematic process to monitor customer satisfaction.

The vast majority of Transportation’s rolling stock business is with large railway operators in the public sectors, such as national railways and municipal transit authorities. These organizations rely on public involvement for infrastructure funding and operations financing. Most operate on a regional or national basis, but some now focus operations internationally along with emerging private trans-national operators. While deregulation is a factor in some markets, public-sector entities still dominate in most regions.

Distribution Methods

Transportation principally contracts with and delivers its products directly to end-customers or via participation in consortiums. Contracts tend to be large in size and relatively complex in design, resulting in significant engineering and design lead times before delivery. Building on modular platforms allows for shorter lead times, lower costs and reduced execution risks while enhancing product flexibility to address specific customer needs.

The sales teams in Transportation's four regions ((i) Central and Eastern Europe and CIS, (ii) Western Europe, Middle East and Africa, (iii) Asia-Pacific and (iv) Americas) and two global businesses ((i) Rail Control Solutions for signalling and (ii) Systems) are responsible for Transportation's sales activities. In addition, Transportation has sales offices in its key markets in all regions including the fast-growing rail markets such as Asia Pacific, CIS, Middle East and South Africa to support its central teams.

Production Methods

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

In the Rolling Stock segment, Transportation has 43 sites specialized in manufacturing and assembly of end products such as locomotives, metros, light rail vehicles, regional trains, intercity and high-speed trains, as well as production of components such as bogies and propulsion equipment. The Rolling Stock sites are located in 22 countries, including joint-ventures with local partners in China. In the Services segment, Transportation has 20 main services sites in 11 countries, mainly in Europe, focusing on fleet maintenance, refurbishment and overhaul. In addition, Transportation has over 40 services sites on customer premises worldwide to perform fleet maintenance and spare parts supply activities. In the Systems and Signalling segment, through some of its subsidiaries, Transportation has 19 signalling engineering and production sites in 12 countries including joint-ventures with local partners in Russia, as well as three sites in three countries for engineering and production of APM and runs several O&M sites across the globe.

Through its operational improvement program Bombardier Operations System (BOS), Transportation continuously improves the performance of its sites to deliver products to meet the requirements of its customers.

With regards to procurement, Transportation works with suppliers in 72 countries. Procurement at Transportation is organized through networks of lead buyers, which are specialized by material categories and products. They closely interact with the lead engineer organization to continuously improve the performance of materials and components, optimize material spending and drive standardization. Divisional procurement is supported by the global sourcing organization, which identifies and develops suppliers in low cost markets through international procurement offices located in China, Mexico, Czech Republic, Poland and Turkey.

Through its procurement optimization program CODE30+, Transportation works jointly with its suppliers to continuously improve the performance, cost and quality of it supply chain.

Competition

The worldwide rail market is resilient to difficult global economic conditions and attracts numerous competitors. In 2014, the overall accessible rail market[1] experienced increased consolidation and competitiveness. Nevertheless, Bombardier believes it remains well positioned to capture a significant share of the market in all regions, relying on the broadest product portfolio in the industry and its existing international footprint.

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

The following table shows that rail market competition remains fragmented, with Transportation remaining engaged in all key market segments.

	Rolling Stock						System Integration	Signalling	Head-quarters
	Light-rail	Metros	Commuter and Regional	High speed and Intercity	Loco-motives	Monorail			
BT	●	●	●	●	●	●	●	●	Germany
Alstom	●	●	●	●	●		●	●	France
Ansaldo[1]	●	●	●	●			●	●	Italy
CAF	●	●	●	●				●	Spain
CNR[2]	●	●	●	●	●				China
CSR[2]	●	●	●	●	●	●[3]			China
GE					●			●	U.S.A.
Hitachi			●	●		●	●	●	UK
Kawasaki		●	●	●					Japan
Rotem		●	●	●	●			●	Korea
Siemens	●	●	●	●	●		●	●	Germany
Stadler	●	●	●	●					Switzerland
Thales								●	France

[1] Includes products from AnsaldoBreda and Ansaldo STS as part of Finmeccanica.

[2] In December 2014, CSR/CNR announced their intent to merge.

[3] In November 2014 Transportation and CSR signed an agreement to create a joint venture to develop and manufacture *INNOVIA* vehicles for urban and airport transit systems.

Source: Publicly available competitor reports/websites

Information about Transportation's order intake during the fiscal year ended December 31, 2014 can be found at page 78 to 80 under the section entitled "Analysis of Results" of our MD&A, which page is incorporated by reference herein.

SEGMENTED DISCLOSURE

For information on the Corporation's revenues allocated by country (based on the location of the customer) and revenues by market segment, reference is made to note 5 of the Corporation's consolidated financial statements for the fiscal years ended December 31, 2014 and December 31, 2013 filed on SEDAR (www.sedar.com) on February 12, 2015, which note is incorporated by reference into this Annual Information Form.

AGREEMENTS RELATED TO THE USE OF CERTAIN TECHNOLOGIES

Some operations of Bombardier are conducted under agreements which allow the Corporation to use certain technical data and information related to products or technologies developed by others. The most important of these agreements was signed on December 22, 1986, with Cartierville Financial Corporation Inc. ("CFC"), a wholly-owned subsidiary of

Canada Development Investment Corporation, in turn wholly-owned by the Canadian federal government, under which Canadair Limited obtained a license granting it the exclusive and absolute right to use and exploit the technology related to the design of the *Challenger* aircraft and to use and incorporate this technology in the manufacture, development, testing, sale, distribution, maintenance and support of *Challenger* aircraft and any other related product worldwide. The initial term of the agreement is 21 years; however, the Corporation (as successor in interest to Canadair Limited) has an option to renew this agreement for three additional consecutive periods of 21 years. The first of such options was exercised during the 2007 fiscal year. In consideration of the rights thus granted to it, the Corporation paid CFC a lump sum of Cdn $20 million in 1988, less an amount equal to certain royalties paid, in lieu of the royalties provided for under the agreement.

ENVIRONMENT

Environmental Laws and Risks

The Corporation's products as well as its manufacturing and services activities are subject to environmental regulations by federal, provincial and local authorities in Canada as well as local regulatory authorities with jurisdiction over the Corporation's operations outside of Canada. In addition, the Corporation has established and periodically updates its Health, Safety and Environment policy (the "HSE Policy") that defines the Corporation's vision for its worldwide operations. Consistent with this policy, a HSE Compliance Audit program has been implemented throughout the Corporation to ascertain material compliance of its manufacturing and services activities to all applicable HSE laws and regulations. Also, to prevent pollution and minimize environmental risks, the Corporation has deployed the ISO 14001 Standard to its manufacturing and services locations. To date, 100% of the Corporation's locations with over 150 employees have been certified by external parties according to the ISO 14001 Standard for Environmental Management and to the OSHAS 18001 Standard for Health and Safety Management. All German and several other European Transportation sites are also registered under the European Union Eco-Management and Audit Scheme approach. Consistent with its policy stressing environmental responsibility and its desire to maintain legal compliance, the Corporation routinely procures, installs and operates pollution control devices, such as wastewater treatment plants, groundwater monitoring devices, air strippers or separators, and incinerators at new and existing facilities constructed or upgraded in the normal course of business. In line with the requirements set by the ISO 14001 Standard, imminent environmental laws and regulations are tracked and assessed on a regular basis. Future capital expenditures for pollution control systems resulting from these imminent regulatory requirements are not expected to have a material effect on the Corporation's consolidated financial position.

The Corporation's regulatory risks associated with climate change generally fall under the national and local requirements implemented by each jurisdiction where the Corporation is present. Most countries where the Corporation carries out manufacturing activities are at various stages of developing binding emission allocations and trading schemes. During 2014, the Corporation's regulatory risks associated with climate change mainly fell under its obligations to the European Union Emission Trading Scheme, the United Kingdom Climate Change Agreement, the United Kingdom Carbon Reduction Commitment named the CRC Energy Efficiency Scheme (launched in April 2010) and the Québec carbon market trading scheme. To date, the impact on the Corporation has been non-material. The Corporation continues to monitor risks associated with energy efficiency legislation, carbon or energy taxes, industry standards and other carbon trading mechanisms related to both its activities and products.

During 2014, the Corporation continued working on meeting a European regulation adopted in 2007, the Registration Evaluation Authorization and Restriction of Chemicals ("REACh"). The Corporation, through its reportable segments, has implemented mechanisms to ascertain compliance of its products and operations with the registration phase of REACh. The Corporation continues to monitor the next phases of REACh implementation in order to ensure full compliance. This regulation is not expected to have a material effect on the Corporation's financial position.

European Union Emissions Trading Scheme

During 2014, one of the Corporation's site qualified for the EU Allocation Programs but as this site did not exceed the applicable allocations, they did not present a material risk and the Corporation did not have to purchase carbon credits.

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

Effective April 30, 2014, the EU ETS was revised and non-commercial flight operators with less than 100 t CO_2e emissions per year are exempt from filing reports and trade certificates from January 1, 2013 to December 31, 2020. This exemption applies to Bombardier.

Environmental Liabilities

With respect to environmental matters related to site contamination (historical contamination of soil and groundwater), the Corporation periodically conducts studies, both individually at sites owned by the Corporation, and jointly as a member of industry groups at sites not owned by the Corporation, to evaluate the presence of contaminants in the soil and groundwater, to determine the need and feasibility of various remediation techniques and to define the Corporation's share of responsibility. The Corporation is currently proceeding with decontamination at a small number of sites both in North America and in Europe. The known historical costs for soil and/or groundwater decontamination are not expected to have a material effect on the Corporation's consolidated financial position. During 2015, the anticipated costs related to environmental liabilities are not expected to be in excess of $25 million.

Potential Environmental Liabilities

Estimating future environmental clean-up liabilities is dependent on the nature and extent of historical and physical data about a given site, the complexity of the contamination, the uncertainty of which remedy to apply, the timing of the remedial action and the outcome of the discussions with regulatory authorities. Although it appears likely that annual costs for remediation activities might increase over time because of ever more stringent legal requirements these costs are not currently expected to be material to the Corporation.

Environmental Policies

The Corporation strives to continuously reduce any detrimental environmental impact generated by its operations. The environmental footprint of the services and manufacturing facilities remains an ongoing focus and the Corporation establishes objectives and targets to reduce its impact on the environment. New environmental reduction targets for energy consumption, carbon emissions, water consumption and waste generation were approved by the Corporation at the end of 2013 for the period covering 2014 to 2016. More information about Bombardier's Environmental Management can be found at: www.csr.bombardier.com.

SUSTAINABILITY

Sustainability is an integral part of the competitive foundation of the Corporation's enterprise strategy. In 2014, the Corporation continued to embed sustainability within its business. For the eighth consecutive year, the Corporation was chosen as an index component in the Dow Jones Sustainability World and the Dow Jones Sustainability North America Indices, benchmark indicators of sustainability, and was named Industry Leader within the Aerospace and Defense Industry for the third time. In May 2014, the Corporation published its first Activity Report, merging financial information with non-financial information as a first step towards integrated reporting. For further information, visit www.csr.bombardier.com.

INTANGIBLE PROPERTIES

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

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

HUMAN RESOURCES

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

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

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

For further information on Bombardier's Global Talent Management, visit www.csr.bombardier.com.

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

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

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

Additional information about Bombardier's human resources can be found under the sections entitled "Analysis of Results" at pages 65 and 80, of our MD&A, which pages are incorporated by reference herein.

RISK FACTORS

The description of risks affecting the Corporation and its activities can be found in the section entitled "Risks and Uncertainties" at pages 83 to 91 of our MD&A, which pages are incorporated by reference herein.

DIVIDENDS

The Corporation declared the dividends indicated below on its outstanding shares during each of the fiscal years ended December 31, 2014, December 31, 2013 and December 31, 2012. These dividends are denominated in Canadian dollars.

	December 31, 2014		December 31, 2013		December 31, 2012	
(millions of dollars, except per share amounts)	**Total**	**Per share on an annual basis**	**Total**	**Per share on an annual basis**	**Total**	**Per share on an annual basis**
Series 2 Cumulative Redeemable Preferred Shares	7.3	0.75	7.3	0.75	7.2	0.75
Series 3 Cumulative Redeemable Preferred Shares	1.8	0.7835	1.8	0.7835	2.9	1.05013
Series 4 Cumulative Redeemable Preferred Shares	14.7	1.5625	14.7	1.5625	14.7	1.5625
Class A shares	31.4	0.10	31.5	0.10	31.5	0.10
Class B subordinate shares	146.6	0.1015625	146.5	0.1015625	146.2	0.1015625

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

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

GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Corporation consists of (i) an unlimited number of preferred shares without nominal or par value issuable in series (the "Preferred Shares"), of which 12,000,000 have been designated as the Series 2 Preferred Shares, 12,000,000 have been designated as the Series 3 Preferred Shares and 9,400,000 have been designated as the Series 4 Preferred Shares, (ii) 1,892,000,000 Class A shares, and (iii) 1,892,000,000 Class B subordinate shares. As at December 31, 2014, the Corporation had outstanding 9,692,521 Series 2 Preferred Shares, 2,307,479 Series 3 Preferred Shares, 9,400,000 Series 4 Preferred Shares, 314,273,255 Class A shares and 1,444,132,126 Class B subordinate shares.

The Class B subordinate shares are restricted securities (within the meaning of the relevant Canadian regulations respecting securities) in that they do not carry equal voting rights as the Class A shares. In the aggregate, all voting rights associated with the Class B subordinate shares represented, as at December 31, 2014, 31.48% of the voting rights attached to all of the issued and outstanding voting securities of the Corporation.

Class A shares and Class B subordinate shares

Subordination and Voting Rights

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

Dividends and Liquidation

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

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

Subdivision or Consolidation

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

Conversion Privilege

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

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

Preferred Shares as a Class

Issuable in Series

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

Priority

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

Dividends

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

Rights on Liquidation

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

Voting Rights

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

Modifications

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

Series 2 Preferred Shares

The Series 2 Preferred Shares are non-voting (except if the Corporation fails to pay in full 24 monthly dividends, until all arrears of dividends on the Series 2 Preferred Shares have been paid), redeemable at the Corporation's option (with respect to all and not less than all outstanding Series 2 Preferred Shares) at Cdn $25.50 per share (together with accrued and unpaid dividends), convertible on a one-for-one basis on August 1, 2017 and on August 1 of every fifth year thereafter into Series 3 Preferred Shares. Fourteen days preceding a conversion date, if the Corporation determines after having taken into account all shares tendered for conversion by holders that there would be less than 1,000,000 outstanding Series 2 Preferred Shares on the conversion date, such remaining number shall be automatically converted into an equal number of Series 3 Preferred Shares. Likewise, if the Corporation determines fourteen days before the conversion date that at such time, there would be less than 1,000,000 outstanding Series 3 Preferred Shares, then no Series 2 Preferred Shares may be converted. Variable adjustable cumulative preferential cash dividends are payable monthly on the 15th day of each month, if declared by the Board of Directors, with the annual variable dividend rate set between 50% and 100% of the Canadian prime rate, adjusted as follows. The dividend rate will vary in relation to changes in the prime rate and will be adjusted upwards or downwards on a monthly basis up to a monthly maximum of 4% of the prime rate if the trading price of the Series 2 Preferred Shares is less than Cdn $24.90 per share or more than Cdn $25.10 per share.

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

Series 3 Preferred Shares

The Series 3 Preferred Shares are non-voting (except if the Corporation fails to pay in full eight quarterly dividends, until all arrears of dividends on the Series 3 Preferred Shares have been paid), redeemable at the Corporation's option (with respect to all and not less than all outstanding Series 3 Preferred Shares) at Cdn $25.00 per share (together with accrued and unpaid dividends) on August 1, 2017 and on August 1 of every fifth year thereafter, convertible on a one-for-one basis at the option of the holder on August 1, 2017 and on August 1 of every fifth year thereafter into Series 2 Preferred Shares. Fourteen days preceding a conversion date, if the Corporation determines after having taken into account all shares tendered for conversion by holders that there would be less than 1,000,000 outstanding Series 3 Preferred Shares on the conversion date, the remaining number shall be automatically converted into an equal number of Series 2 Preferred Shares. Likewise, if the Corporation determines fourteen days before the conversion date that at such time, there would be less than 1,000,000 outstanding Series 2 Preferred Shares, then no Series 3 Preferred Shares may be converted. The Series 3 Preferred Shares carry an annual dividend rate of 3.134% for the five-year period from August 1, 2012 to and including July 31, 2017, payable quarterly on the last day of January, April, July and October, if declared by the Board of Directors. The quarterly dividend rate will be fixed by the Corporation at least 45 days and not more than 60 days before each subsequent five-year dividend period. Each five-year fixed dividend rate selected by the Corporation shall not be less than 80% of the Government of Canada bond yield as defined in the Articles of Amendment creating the Series 3 Preferred Shares.

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

Series 4 Preferred Shares

The Series 4 Preferred Shares are entitled to fixed, cumulative, preferential cash dividends, if, as and when declared by the Board of Directors of the Corporation, at a rate equal to Cdn $1.5625 per share per annum. Dividends are payable quarterly on the last day of January, April, July, and October each year at a rate of Cdn $0.390625 per share per quarter. The Series 4 Preferred Shares are non-voting (except if the Corporation fails to pay in full eight quarterly dividends, until all arrears of dividends on the Series 4 Preferred Shares have been paid).

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

Security Ratings

As at February 11, 2015, the Corporation had a long-term debt rating of BB- from Fitch Ratings Ltd. ("Fitch") with a negative outlook. The Corporation's debt securities have also received long-term debt ratings of Ba3 by Moody's Investors Service, Inc. ("Moody's") under review for possible downgrade and B+ by Standard & Poor's ("S&P") with a negative outlook. Fitch has also rated the preferred shares of the Corporation as a B, while S&P rated the preferred shares as CCC+ on the global scale or P-5 (high) on the Canadian scale.

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

A B+ long-term debt rating by S&P is the sixth highest rating of ten categories. An obligor with long term debt rated in the B category is more vulnerable than the obligors rated in the BB category but continues to have the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments. Moody's Ba long-term debt rating is the fifth highest rating of nine categories. A Ba rating is used for long term debt judged to have speculative elements and which is subject to substantial credit risk. The "3" designation indicates that the obligor has a ranking that is in the lower end of the Ba rating category. A BB- long-term debt rating by Fitch is the fifth highest rating of eleven categories and indicates an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments.

A preferred share rating of B from Fitch is also used to give an indication of the risk that an obligor will not fulfill its obligations in a timely manner, with respect to both dividend and principal payments. This preferred share rating is speculative, where the degree of protection afforded to payment of dividends and principal is uncertain. In addition, a preferred share rating in the CCC category from S&P indicates that the obligation is vulnerable to nonpayment, and is dependent upon favourable business, financial and economic conditions for the obligor to meet its financial commitment to the obligation. In the event of adverse business, financial or economic conditions, the obligor will not have the capacity to meet its financial commitment to the obligation.

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

The credit ratings accorded by S&P, Moody's and Fitch are not recommendations to purchase, hold or sell the securities. There is no assurance that the ratings will remain in effect for any given period of time or that the rating will not be revised or withdrawn entirely by S&P, Moody's or Fitch in the future if it is in their judgment that circumstances so warrant.

During the past two years, the Corporation has made normal course payments to Moody's, Fitch and S&P in connection with their rating services, which include annual surveillance fees covering Bombardier's outstanding securities, in addition to one-time rating fees when securities are initially issued.

MARKET FOR THE SECURITIES OF THE CORPORATION

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

Month of year ended 2014		Class A Shares "BBD.A"	Class B Subordinate Voting Shares "BBD.B"	Series 2 Preferred Shares "BBD.PR.B"	Series 3 Preferred Shares "BBD.PR.D"	Series 4 Preferred Shares "BBD.PR.C"
December	High	$4.44	$4.43	$12.06	$12.35	$21.99
	Low	$3.89	$3.86	$10.79	$10.92	$21.05
	Close	$4.13	$4.15	$11.90	$11.89	$21.89
	Volume	836,743	99,643,463	401,112	105,590	133,272
November	High	$4.40	$4.42	$12.29	$12.40	$22.10
	Low	$3.77	$3.72	$11.79	$11.85	$21.02
	Close	$4.35	$4.36	$12.10	$12.30	$21.76
	Volume	1,045,127	107,353,179	256,072	70,237	164,035
October	High	$4.00	$3.95	$12.53	$12.81	$22.00
	Low	$3.52	$3.41	$11.81	$11.81	$21.00
	Close	$3.77	$3.71	$11.90	$11.99	$21.11
	Volume	1,126,328	124,710,813	211,516	54,675	194,580
September	High	$3.87	$3.80	$12.96	$13.07	$22.16
	Low	$3.51	$3.42	$12.40	$12.48	$21.53
	Close	$3.84	$3.77	$12.52	$12.48	$21.99
	Volume	1,076,440	96,375,053	307,835	42,921	155,146
August	High	$3.92	$3.88	$13.14	$13.08	$22.40
	Low	$3.75	$3.66	$12.71	$12.52	$21.93
	Close	$3.76	$3.66	$12.85	$13.04	$22.08
	Volume	594,585	58,603,437	151,223	59,852	111,609
July	High	$3.94	$3.89	$13.38	$13.11	$22.55
	Low	$3.65	$3.58	$12.62	$12.67	$21.90
	Close	$3.79	$3.73	$12.76	$12.75	$22.00
	Volume	915,933	103,091,890	175,101	59,320	175,007
June	High	$4.00	$3.97	$13.24	$13.33	$22.36
	Low	$3.65	$3.61	$12.52	$12.71	$21.98
	Close	$3.81	$3.77	$12.84	$12.80	$22.17
	Volume	736,557	88,923,184	319,351	45,106	143,726
May	High	$4.23	$4.22	$13.85	$13.64	$22.39
	Low	$3.59	$3.54	$13.02	$13.16	$22.01
	Close	$3.69	$3.69	$13.17	$13.16	$22.19
	Volume	1,591,304	197,332,919	356,030	40,302	157,784
April	High	$4.43	$4.43	$13.95	$13.58	$22.47
	Low	$4.00	$3.97	$13.33	$13.04	$21.96
	Close	$4.42	$4.41	$13.78	$13.50	$22.19
	Volume	1,165,444	152,286,582	199,090	68,018	190,303

March	High	$4.27	$4.22	$13.56	$13.30	$22.77
	Low	$3.63	$3.54	$12.51	$12.77	$22.06
	Close	$4.12	$4.11	$13.43	$13.16	$22.38
	Volume	1,979,074	130,094,480	360,833	59,107	111,532
February	High	$4.34	$4.24	$13.17	$13.52	$22.58
	Low	$3.30	$3.44	$12.63	$12.75	$21.60
	Close	$3.69	$3.61	$12.85	$13.02	$22.45
	Volume	2,722,069	159,338,971	241,226	59,319	170,795
January	High	$4.68	$4.68	$14.96	$13.91	$23.20
	Low	$3.85	$3.81	$12.70	$12.77	$21.56
	Close	$4.07	$4.02	$12.96	$12.99	$21.88
	Volume	1,957,568	204,715,240	225,736	57,220	212,034

DIRECTORS AND EXECUTIVE OFFICERS

The names of the directors and executive officers of the Corporation, their municipality of residence, the positions held by them within the Corporation, the principal occupations of the directors, the period during which each director has exercised his or her mandate, as well as the number of Class A shares or Class B subordinate shares, as the case may be, of the Corporation that the directors, as at February 11, 2015, owned beneficially or over which they exercised control or direction, are indicated below. No Series 2 Preferred Shares, Series 3 Preferred Shares or Series 4 Preferred Shares are held by any director.

Directors

Name, Municipality of Residence, Principal Occupation(s) and Position(s) Held Within the Corporation	Period of Service as a Director	Class A shares[1]	Class B subordinate shares[1]
Laurent Beaudoin, C.C., FCPA, FCA Westmount, Québec, Canada Chairman of the Board of Directors of the Corporation	1975 to date	13,052,944[2]	812,500[2]
Pierre Beaudoin Westmount, Québec, Canada President and Chief Executive Officer of the Corporation	2004 to date	512,859	765,083
Joanne Bissonnette[3] Montréal, Québec, Canada Corporate Director	2012 to date	—	5,824
J. R. André Bombardier Montréal, Québec, Canada Vice Chairman of the Corporation	1975 to date	(4)	265,774
Martha Finn Brooks[b c] Atlanta, Georgia, U.S.A. Corporate Director	2009 to date	—	30,000
L. Denis Desautels, O.C., FCPA, FCA[a c] Ottawa, Ontario, Canada Corporate Director	2003 to date	—	10,000
Jean-Louis Fontaine Montréal, Québec, Canada Vice Chairman of the Corporation	1975 to date	4,097,472(5)	6,465
Sheila Fraser, FCPA, FCA[a] Ottawa, Ontario, Canada Corporate Director	2012 to date	—	—
Daniel Johnson[a c d] Montréal, Québec, Canada Counsel, McCarthy Tétrault, LLP Barristers and Solicitors	1999 to date	—	1,200
Jean C. Monty[a b e] Montréal, Québec, Canada Corporate Director	1998 to date	25,000	175,000
Vikram Pandit[c d] New York, New York, U.S.A. Chairman, TGG Group (a holding company for advisory and other businesses)	2014 to date	—	—

Patrick Pichette[a b] Palo Alto, California, U.S.A. Senior Vice President and Chief Financial Officer, Google Inc. (Internet related services and products)	2013 to date	—	6,000
Carlos Represas[b c d] Mexico City, Mexico Corporate Director	2004 to date	—	—
Heinrich Weiss[d] Düsseldorf, Germany Chairman of the Supervisory Board, SMS Holding GmbH (plant construction and mechanical engineering)	2005 to date	—	—

1 The number of shares held is given as at February 11, 2015.
2 Ms. Claire Bombardier Beaudoin, wife of Mr. Laurent Beaudoin, exercises, through holding corporations which she controls, control or direction over 61,123,490 Class A shares and 812,500 Class B subordinate shares.
3 Ms. Janine Bombardier, mother of Ms. Joanne Bissonnette, exercises, through holding corporations which she controls, control or direction over 61,973,491 Class A shares and 40,001 Class B subordinate shares.
4 Mr. J. R. André Bombardier exercises, through holding corporations which he controls, control or direction over 65,401,042 Class A shares.
5 Ms. Huguette Bombardier Fontaine, wife of Mr. Jean-Louis Fontaine, exercises, through holding corporations which she controls, control or direction over 60,701,887 Class A shares.

a Member of the Audit Committee
b Member of the Human Resources and Compensation Committee
c Member of the Finance and Risk Management Committee
d Member of the Corporate Governance and Nominating Committee
e Lead Director

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

Executive Officers who are not Directors

Name and Municipality of Residence	Position Held Within the Corporation
Pierre Alary, FCPA, FCA, C. Dir. Montréal, Québec, Canada	Senior Vice President and Chief Financial Officer
Michele Arcamone Montréal, Québec Canada	President, Bombardier Commercial Aircraft
Lutz Bertling Berlin, Germany	President and Chief Operating Officer of Bombardier Transportation
Daniel Desjardins Montréal, Québec, Canada	Senior Vice President, General Counsel and Corporate Secretary
John Paul Macdonald Saint-Hubert, Québec, Canada	Senior Vice President, Human Resources and Public Affairs
Éric Martel Mont-Royal, Québec, Canada	President, Bombardier Business Aircraft
Steven A. Ridolfi Toronto, Ontario, Canada	Senior Vice President
Jean Séguin Montréal, Québec, Canada	President, Bombardier Aerostructures and Engineering Services

As at February 11, 2015, the directors of the Corporation (other than Mr. J. R. André Bombardier) and the executive officers of the Corporation, as a group, owned beneficially, directly or indirectly, 17,688,275 Class A shares and 3,658,055 Class B subordinate shares, representing 5.63% and 0.25% respectively, of the outstanding shares of each such class.

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

- Michele Arcamone has been President, Bombardier Commercial Aircraft since February 1, 2012, prior to which he held the position of President and Chief Executive Officer, GM Korea since October 1, 2009.
- Lutz Bertling has been President and Chief Operating Officer of Bombardier Transportation since June 3, 2013, prior to which he held the position of President and Chief Executive Officer of Eurocopter Group since October 2006.
- Daniel Desjardins has been Senior Vice President, General Counsel and Corporate Secretary since May 10, 2012, prior to which he was Senior Vice President, General Counsel and Assistant Secretary since October 1, 2003.
- Sheila Fraser joined the Board of Directors of Bombardier on May 10, 2012. She was the Auditor General of Canada from 2001 to 2011.
- Éric Martel has been President, Bombardier Business Aircraft since January 1, 2014, prior to which he held positions of increasing responsibility within the Corporation, including, between 2008 and 2010, Vice President, Quality, Achieving Excellence System and Transformation, Bombardier Aerospace.
- Steven A. Ridolfi has been Senior Vice President since January 1, 2014, prior to which he was President, Business Aircraft of Aerospace since April 18, 2008.

- Vikram Pandit has been Chairman of TGG Group since 2013, prior to which he was Chief Executive Officer of Citigroup Inc. between December 2007 and October 2012.
- Jean Séguin has been President, Bombardier Aerostructures and Engineering Services since August 20, 2014, prior to which he held positions of increasing responsibility within the Corporation, including, between April 2004 and November 2010, as Vice President Engineering and Supply Chain, Bombardier Aerospace.
- Henrich Weiss has been Chairman of the Supervisory Board of SMS Holding GmbH since July 1, 2013, prior to which he was Chairman and Chief Executive Officer of SMS Holding GmbH from September 25, 2003 to June 30, 2013.

LEGAL PROCEEDINGS

In the normal course of operations, the Corporation is a defendant in certain legal proceedings currently pending before various courts in relation to product liability and contract disputes with customers and other third parties. The Corporation intends to vigorously defend its position in these matters.

While the Corporation cannot predict the final outcome of legal proceedings pending as at December 31, 2014, based on information currently available, management believes that the resolution of these legal proceedings will not have a material adverse effect on its financial position.

S-Bahn Claim

On March 4, 2013, S-Bahn Berlin GMBH (“SB”) filed a claim against Bombardier Transportation GmbH, a wholly owned subsidiary of the Corporation, in the Berlin District Court (“Landgericht Berlin”), concerning the trains of the 481 Series delivered to SB between 1996 and 2004.

This lawsuit alleges damages of an aggregate value of €348 million ($423 million) related to allegedly defective wheels and braking systems. The claim is for payment of €241 million ($293 million) and also for a declaratory judgment obliging the Corporation to compensate SB for further damages. SB currently alleges such further damages to be €107 million ($130 million).

It is the Corporation’s position that this claim i) is filed in absence of any defect, ii) is not founded on any enforceable warranty, iii) is filed after the expiry of any statute of limitations and iv) is based on inapplicable standards. The lawsuit contains allegations against the Corporation which the Corporation rejects as unfounded and defamatory.

The Corporation intends to vigorously defend its position and will undertake all actions necessary to protect its reputation.

Investigation in Brazil

On March 20, 2014, Bombardier Transportation Brasil Ltda (“BT Brazil”), a wholly owned subsidiary of the Corporation, received notice that it was among the 18 companies and over 100 individuals named in administrative proceedings initiated by governmental authorities in Brazil, including the Administrative Council for Economic Protection (“CADE”), and the São Paulo Public Prosecutor’s office, following previously disclosed investigations carried on by such governmental authorities with respect to allegations of cartel activity in the public procurement of railway equipment and the construction and maintenance of railway lines in São Paulo and other areas.

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

TRANSFER AGENT AND REGISTRAR

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

MATERIAL CONTRACTS

Other than those contracts entered into in the ordinary course of business or that would not be considered material to the Corporation or its businesses, there were no material contracts entered into by the Corporation during the fiscal year ended December 31, 2014 or prior to the fiscal year ended December 31, 2014 and after January 1, 2002 that are still in effect.

INTEREST OF EXPERTS

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

AUDIT COMMITTEE DISCLOSURE

Audit Committee Information

Ms. Sheila Fraser is the Chair of the Audit Committee, and Messrs. L. Denis Desautels, Daniel Johnson, Jean C. Monty and Patrick Pichette are its other members. Each of them is independent and financially literate within the meaning of National Instrument 52-110 - Audit Committees.

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

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

Sheila Fraser, FCPA, FCA, (Chair) - Ms. Fraser has been the Chair of the Audit Committee since May 1, 2014. Ms. Fraser has a Bachelor of Commerce degree as well as several Honorary Doctorates of Laws degrees. She served as Auditor General of Canada from 2001 to 2011. Prior to joining the Office of the Auditor General as Deputy Auditor General in 1999, Ms. Fraser was a partner at Ernst & Young LLP for 18 years, in the Québec City office. She has been named as Trustee to the IFRS Foundation, the oversight body of the International Accounting Standards Board. She is the Chair of the audit committees of Manulife Financial Corporation and Canadians for a New Partnership.

L. Denis Desautels O.C., FCPA, FCA - Mr. Desautels was the Chairman of the Corporation's Audit Committee from June 1, 2003 until the close of the previous annual meeting of the Corporation held on May 1, 2014. He has a Bachelor of Commerce degree from McGill University. He served as Auditor General of Canada from April 1, 1991 until March 31, 2001. As Auditor General of Canada, he was responsible for conducting examinations of the operations of the Government of Canada and of its numerous Crown corporations and agencies, as well as those of Canada’s three territorial governments. At the time of his appointment, he was a senior partner in the Montréal office of Ernst & Young LLP. In his 27 years with Ernst & Young he served the firm in various capacities and in a number of offices, namely Montréal, Ottawa and Québec. He was Chairman of the Accounting Standards Oversight Council of the Canadian Institute of Chartered Accountants from 2010 to 2012. He is a member of the audit committee of Jean Coutu Group (PJC) Inc..

Daniel Johnson - Mr. Johnson has been a member of the Audit Committee since 1999. A law graduate of Université de Montréal and a member of the Québec bar since 1967, Mr. Johnson also holds LL.M. and Ph.D. degrees from the University of London (UK), as well as an M.B.A. from Harvard Business School. He was Secretary and Vice President of Power Corporation of Canada until 1981. As a member of the Québec Government from 1985 to 1994, he was Minister of Industry and Commerce, then Chairman of the Treasury Board and Minister responsible for Administration and the Public Service. He was also Minister responsible for the Montréal region and a member of the Standing Cabinet Committees on Economic Development, Planning, Regional Development and the Environment, and of the Legislation Committee. He became Leader of the Québec Liberal Party in December 1993, was Premier of the Province of Québec until September 1994, and Leader of the Official Opposition until May 1998.

Jean C. Monty - Mr. Monty was appointed as member of the Audit Committee at the meeting of the Board of Directors of the Corporation held on May 1, 2014. Mr. Monty was the Chairman of the Board of Directors and Chief Executive Officer of Bell Canada Enterprises (BCE Inc.) until his retirement on April 24, 2002, following a 28-year career. Prior to joining BCE Inc., he was Vice Chairman and Chief Executive Officer of Nortel Networks Corporation. He joined Nortel in October 1992 as President and Chief Operating Officer, becoming President and Chief Executive Officer in March 1993. He began his career at Bell Canada in 1974 and held numerous positions in the BCE group. He is Chairman of the audit committee of Alcatel-Lucent SA and a member of the audit committee of Fiera Capital.

Patrick Pichette - Mr. Pichette was appointed as a member of the Audit Committee at the meeting of the Board of Directors of the Corporation held on October 30, 2013. Mr. Pichette is Senior Vice President and Chief Financial Officer at Google Inc. He was at Bell Canada from 2001 to 2008, during which time he held various executive positions including Chief Financial Officer. Prior to joining Bell Canada, Mr. Pichette was a partner at McKinsey & Company. He earned a bachelor’s degree in business administration from Université du Québec à Montréal. He also holds a master’s degree in philosophy, politics and economics from Oxford University, where he attended as a Rhodes Scholar.

Appointment of Auditors

For each of the financial years ended December 31, 2014 and 2013, Ernst & Young LLP, billed the Corporation the following fees for services:

Fees	Fiscal Year Ended December 31, 2014	Fiscal Year Ended December 31, 2013
Audit fees	$11,308,000	$11,952,000
Audit related fees	$880,000	$1,053,000
Tax fees	$7,617,000	$4,416,000
All other fees	$325,000	$627,000
Total Fees	$20,130,000	$20,715,000

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

ADDITIONAL INFORMATION

Additional information relating to the Corporation, including directors' and officers' remuneration and indebtedness , principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is contained in the Corporation's management proxy circular for its most recently completed financial year. Additional financial information is provided in the Corporation's financial statements and Management Discussion & Analysis for its most recently completed financial year.

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

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

FORWARD-LOOKING STATEMENTS

This Annual Information Form includes forward-looking statements, which may involve, but are not limited to: statements with respect to the Corporation’s objectives, guidance, targets, goals, priorities, our 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; the Corporation’s competitive position; the expected impact of the legislative and regulatory environment and legal proceedings on the Corporation’s business and operations; and the Corporation's available liquidities and the Corporation's capital raising plan. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “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 the Corporation to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause the Corporation’s actual results in future periods to differ materially from forecasted results. While the Corporation considers its assumptions to be reasonable and appropriate based on information currently available, there is a risk that they may not be accurate. For additional information with respect to the assumptions underlying the forward-looking statements made in this Annual Information Form, refer to the respective Guidance and forward-looking statements sections in Overview, Bombardier Aerospace and Bombardier Transportation sections in the Management’s Discussion and Analysis for the year ended December 31, 2014 which may be viewed on SEDAR at www.sedar.com.

Certain factors that could cause actual results to differ materially from those anticipated in the forward looking statements include 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 and major rail operators), operational risks (such as risks related to developing new products and services; 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; fixed price commitments and production and project execution), financing risks (such as risks related to liquidity and access to capital markets, exposure to credit risk, certain restrictive debt covenants, financing support provided for the benefit of certain customers and reliance on government support) and market risks (such as risks related to foreign currency fluctuations, changing interest rates, decreases in residual values and increases in commodity prices). For more details, see the “Risks and Uncertainties” section in the Management’s Discussion and Analysis for the year ended December 31, 2014 which may be viewed on SEDAR at www.sedar.com. Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. The forward-looking statements set forth herein reflect the Corporation’s expectations as at the date of this Annual Information Form and are subject to change after such date. Unless otherwise required by applicable securities laws, the Corporation expressly disclaims any intention, and assumes no obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement.

SCHEDULE 1

CHARTER OF THE AUDIT COMMITEE

BOMBARDIER INC.

Audit Committee

1.1 Membership and Quorum

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

1.2 Frequency and Timing of Meetings

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

1.3 Chairman of the Audit Committee

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

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

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

B. Managing the Audit Committee

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

1.4 Mandate of the Audit Committee

A. Purpose

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

B. Objectives

The objectives of the Audit Committee are :

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

C. Meetings

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

D. Duties and Responsibilities

- As they relate to the Board and financial reporting

  a) Assist the Board in the discharge of its oversight responsibilities to the shareholders, potential shareholders, the investment community, and others relating to Bombardier's financial statements and its financial reporting practices and the system of internal accounting and financial controls, the corporate audit and risk assessment function, the management information systems, the annual external audit of Bombardier's financial statements and the compliance by Bombardier with laws and regulations and its own Code of Ethics and Business Conduct.

  b) Maintain a free and open line of communication with the management of Bombardier, the Senior Director, Corporate Audit Services and Risk Assessment and the independent auditor.

  c) Review, before their disclosure, Bombardier's quarterly consolidated financial statements, the related management's discussion and analysis and the press release on the quarterly financial results and, if appropriate, recommend to the Board their approval and disclosure.

d) Review, before their disclosure, Bombardier's annual audited consolidated financial statements, the related management's discussion and analysis, and the press release on the annual consolidated financial results and, if appropriate, recommend to the Board their approval and disclosure.

e) Review the presentation and impact of significant, unusual or sensitive matters such as disclosure of related party transactions, significant non-recurring events, significant risks and changes in provisions, estimates or reserves included in any financial statements.

f) Obtain explanations for communication to the Board for all significant variances between comparable reporting periods.

g) Review any litigation, claim or other contingency, including tax assessments and environmental situations, that could have a material adverse effect upon the financial position or operating results of Bombardier, and the manner in which these matters are disclosed in the financial statements.

h) Review the appropriateness of the accounting policies used in the preparation of Bombardier's financial statements, and consider recommendations for any material change to such policies.

i) To the extent not previously reviewed by the Audit Committee, review and, if appropriate, recommend to the Board the approval of all financial statements included in the prospectus and other offering memoranda and all other financial reports required by regulatory authorities and requiring approval by the Board.

j) Review the statement of management's responsibility for the financial statements as signed by the management of Bombardier and included in any published document.

k) Ensure that adequate procedures are in place for the review of Bombardier's public disclosure of financial information extracted or derived from Bombardier's financial statements, other than the public disclosure referred to in paragraph c) or d) above, and periodically assess the adequacy of those procedures.

l) Ensure that procedures are in place for

(i) the receipt, retention and treatment of complaints received by Bombardier regarding accounting, internal accounting controls, or auditing matters; and

(ii) the confidential, anonymous submission by employees of Bombardier of concerns regarding questionable accounting or auditing matters.

m) Where there is to be a change of independent auditor, review all issues related to the change, including any differences between Bombardier and the independent auditor that relate to the independent auditor's opinion or a qualification thereof or an independent auditor's comment.

n) Monitor the application of, and, if need be, review and make appropriate recommendations to management in order to update the Corporate Disclosure Policy of Bombardier.

- As they relate to the independent auditor

a) Explicitly affirm that the independent auditor is independent and accountable to the Board and the Audit Committee, and in that context, work constructively with the independent auditor to build an effective relationship that allow for full, frank and timely discussion of all material issues, with or without management as appropriate in the circumstances.

b) Recommend to the Board a firm of independent auditors for submission to the shareholders of Bombardier.

c) Review and make recommendations to the Board with respect to the fees payable for the external audit.

d) For each fiscal year, in accordance with the terms and conditions of the then current Audit and Non-Audit Services Pre-Approval Policy adopted by the Audit Committee, review and approve the terms of the independent auditor's (i) annual audit services engagement letter and (ii) the quarterly review services engagement letter; each of these letters shall be signed by the Chairman of the Audit Committee.

e) For each fiscal year, in accordance with the terms and conditions of the then current Audit and Non-Audit Services Pre-Approval Policy adopted by the Audit Committee, review and approve the scope of the (i) annual audit and of other audit related services and (ii) the quarterly review services to be rendered by the independent auditor; in that context, ensure that the independent auditor has access to all books, records, facilities and personnel of Bombardier.

f) Review with the independent auditor the contents of its report with respect to the annual consolidated financial statements of Bombardier and the results of the external audit, any significant problems encountered in performing the external audit, any significant recommendations further to the external audit and management's response and follow-up in that context and ensure that the independent auditor is satisfied that the accounting estimates and judgments made by management's selection of accounting principles reflect an appropriate application of generally accepted accounting principles.

g) Review any significant recommendations by the independent auditor to strengthen the internal accounting and financial controls of Bombardier.

h) Review any unresolved significant issues between management and the independent auditor that could affect the financial reporting or internal controls of Bombardier.

i) To the extent practicable, assess the performance of the independent auditor at least once a year.

j) Ensure that the independent auditor shall not provide the following services to Bombardier:

- bookkeeping or other services related to the accounting records or financial statements of Bombardier;
- financial information systems design and implementation;
- appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- actuarial services;
- internal audit outsourcing services;
- management functions;
- human resources;
- broker or dealer, investment adviser, or investment banking services;
- legal services; and
- expert services unrelated to the audit.

k) All non-audit services shall require the prior approval of the Audit Committee in accordance with the terms and conditions of the then current Audit and Non-Audit Services Pre-Approval Policy adopted by the Audit Committee.

l) Review and approve Bombardier's hiring policies regarding partners, employees and former partners and employees of the present and former independent auditor of Bombardier.

- As they relate to the Senior Director, Corporate Audit Services and Risk Assessment

a) At least four times a year, in conjunction with Bombardier Board meetings, review the report of the Senior Director, Corporate Audit Services and Risk Assessment on the results of the work that the Corporate Audit Services and Risk Assessment function has performed and with respect to its organization, staffing, and independence.

b) Review and, if appropriate, approve the annual Corporate Audit Services and Risk Assessment plan.

c) Assess the Corporate Audit Services and Risk Assessment reporting lines and make such recommendations as are necessary to preserve the independence of the Senior Director, Corporate Audit Services and Risk Assessment.

d) Review significant Corporate Audit Services and Risk Assessment findings and recommendations and management's responses thereto.

e) Once a year, assess the performance of the Senior Director, Corporate Audit Services and Risk Assessment, and if the circumstances so warrant, review and recommend the removal of the then current incumbent and the appointment of his successor and report the findings and conclusions of the Audit Committee to the Human Resources and Compensation Committee and the President and Chief Executive Officer of the Corporation.

f) Once a year, review the terms of the charter of the Corporate Audit Services and Risk Assessment to ensure that they continue to be relevant and, if need be, make any appropriate modifications thereto.

- As they relate to the Audit Committee's terms of reference

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

1.5 Miscellaneous

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

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

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