

2021

Notice of annual
meeting of shareholders
and management
proxy circular

To be held on May 6, 2021
in Montréal, Québec, Canada

BOMBARDIER

BOMBARDIER INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS 2021

YOUR VOTE IS IMPORTANT

As used in this management proxy circular, all references to Bombardier, the Corporation, we, us or similar terms are to Bombardier Inc.

Date: Thursday, May 6, 2021
Time: 10:30 a.m. (Montréal time)
Place: <https://web.lumiagm.com/482957377>
Enter password: bombardier2021 (case sensitive)

The holders of Class A shares (multiple voting) and/or Class B shares (subordinate voting) of Bombardier Inc. whose names appear on the list of shareholders of Bombardier Inc. on Monday, March 8, 2021, at 5:00 p.m. (Montréal time) will be entitled to receive this notice of the meeting of shareholders and to vote at the meeting.

In light of the ongoing public health concerns related to the spread of COVID-19 and in order to mitigate potential risks to the health and safety of its shareholders, employees, communities and other stakeholders, the Corporation is providing facilities to allow its shareholders to participate in a virtual meeting format whereby registered shareholders and duly appointed proxyholders may attend and participate in the meeting via live webcast. Shareholders are strongly encouraged to vote their shares in advance of the meeting by proxy or to vote virtually at the meeting online. The Corporation welcomes all shareholders and others who wish to attend the meeting to do so by joining the live webcast that will be available at <https://web.lumiagm.com/482957377>. Shareholders will be able to submit questions to management of the Corporation through the webcast.

By order of the Board of Directors,



Annie Torkia Lagacé
Senior Vice President, General Counsel
and Corporate Secretary
Montréal, Québec, Canada, March 17, 2021

BUSINESS ON THE AGENDA OF THE MEETING:

1. Receipt of the consolidated financial statements of Bombardier Inc. for the financial year ended December 31, 2020 and the auditors' report thereon;
2. Election of the directors of Bombardier Inc.;
3. Appointment of the auditors of Bombardier Inc. and authorization to the directors of Bombardier Inc. to fix the remuneration of the auditors;
4. Consideration and, if deemed appropriate, adoption of a non-binding advisory resolution on Bombardier Inc.'s approach to executive compensation; and
5. Consideration of such other business as may properly come before the meeting.

MEETING MATERIALS

The Corporation is using notice-and-access to deliver this Management Proxy Circular (the "Circular") and related materials to both its registered and non-registered shareholders. This means that the Circular is posted online for you to access electronically instead of being mailed out. While you will still receive by mail a proxy form or a voting instruction form so you can vote your shares, instead of receiving a paper copy of this Circular, you will receive a notice outlining the matters to be addressed at the meeting and explaining how you can access the Circular electronically and how to request a paper copy. Notice-and-access is environmentally friendly and cost effective as it reduces paper, printing and postage.

You may request a paper copy of the Circular, at no charge, at any time prior to the meeting and up to one year from the date it is filed on SEDAR (www.sedar.com). Such a request can be made by calling 1 866 964 0492 (Canada and the United States) or +1 514 982 8714 (other countries) and following the instructions. If you request a paper copy of the Circular, you will not receive a new proxy form or voting instruction form, so you should keep the original form sent to you in order to vote.

REMINDER TO THE READER

Please note that all dollar amounts in this Circular are in US DOLLARS, unless it is specifically stated otherwise in the text.

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2021 MANAGEMENT PROXY CIRCULAR

This Circular is furnished in connection with the solicitation by the management of Bombardier of proxies for use at the annual meeting of the holders of Class A shares (multiple voting) (the "Class A shares") and Class B shares (subordinate voting) (the "Class B subordinate voting shares"), of the Corporation to be held on Thursday, May 6, 2021 at 10:30 a.m. (Montréal time) by live webcast that will be available online at <https://web.lumiagm.com/482957377> (the "Meeting"), and at any and all adjournments thereof.

In light of the ongoing public health concerns related to the spread of COVID-19 and in order to mitigate potential risks to the health and safety of its shareholders, employees, communities and other stakeholders, the Corporation is providing facilities to allow its shareholders to participate in a virtual meeting format whereby registered shareholders and duly appointed proxyholders may attend and participate in the Meeting via live webcast. Shareholders are strongly encouraged to vote their shares in advance of the Meeting by proxy or to vote virtually at the Meeting online. The Corporation welcomes all shareholders and others who wish to attend the Meeting to do so by joining the live webcast that will be available at <https://web.lumiagm.com/482957377>. Shareholders will be able to submit questions to management of the Corporation through the webcast.

FORWARD-LOOKING STATEMENTS

This Circular includes forward-looking statements, which may involve, but are not limited to: statements with respect to the Corporation's objectives, anticipations and outlook or guidance in respect of various financial and global metrics and sources of contribution thereto, targets, goals, priorities, market and strategies, financial position, financial performance, market position, capabilities, competitive strengths, credit ratings, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; customer value; expected demand for products and services; growth strategy; 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 execution of orders in general; competitive position; expectations regarding revenue and backlog mix; the expected impact of the legislative and regulatory environment and legal proceedings; strength of capital profile and balance sheet, creditworthiness, available liquidities and capital resources, expected financial requirements, and ongoing review of strategic and financial alternatives; the introduction of, productivity enhancements, operational efficiencies, cost reduction and restructuring initiatives, and anticipated costs, intended benefits and timing thereof; the anticipated business transition to growth cycle and cash generation; expectations, objectives and strategies regarding debt repayment, refinancing of maturities and interest cost reduction; expectations regarding availability of government assistance programs, compliance with restrictive debt covenants; expectations regarding the declaration and payment of dividends on the Corporation's preferred shares; intentions and objectives for the Corporations' programs, assets and operations; and the impact of the COVID-19 pandemic on the foregoing and the effectiveness of plans and measures the Corporation has implemented in response thereto; and expectations regarding gradual market and economic recovery in the aftermath of the COVID-19 pandemic.

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

By their nature, forward-looking statements require management to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause the Corporation's actual results in future periods to differ materially from forecast results set forth in forward-looking statements. While management considers these assumptions to be reasonable and appropriate based on information currently available, there is risk that they may not be accurate. For additional information, including with respect to other assumptions underlying the forward-looking statements made in this Circular, refer to the Guidance and Forward-looking Statements section in the management's discussion and analysis ("MD&A") of the Corporation's financial report for the fiscal year ended December 31, 2020, which may be viewed on SEDAR at www.sedar.com. Given the impact of the changing circumstances surrounding the COVID-19 pandemic and the related response from the Corporation, governments (federal, provincial and municipal), regulatory authorities, businesses, suppliers, customers, counterparties and third-party service providers, there is inherently more uncertainty associated with the Corporation's assumptions as compared to prior years.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, risks associated with general economic conditions, risks associated with the Corporation's business environment (such as risks associated with the financial condition of business aircraft customers; trade policy; increased competition; political instability and force majeure events or global climate change), operational risks (such as risks related to developing new products and services; development of new business ; order backlog; the transition to a pure-play business aviation company; the certification of products and services; the execution of orders; pressures on cash flows and capital expenditures based on seasonality and cyclicity; execution of the Corporation's strategy, productivity enhancements, operational efficiencies, restructuring and cost reduction initiatives; doing business with partners; product performance warranty and casualty claim losses; regulatory and legal proceedings; environmental, health and safety risks; dependence on certain customers, contracts and suppliers; supply chain risks; human resources; reliance on information systems; reliance on and protection of intellectual property rights; reputation risks; risk management; tax matters; and adequacy of insurance coverage), financing risks (such as risks related to liquidity and access to capital markets; retirement benefit plan risk; exposure to credit risk; substantial debt and interest payment requirements; restrictive debt covenants; reliance on debt management and interest cost reduction strategies; and reliance on government support), market risks (such as

foreign currency fluctuations; changing interest rates; increases in commodity prices; and inflation rate fluctuations). For more details, see the Risks and uncertainties section in Other in the MD&A of the Corporation's financial report for the fiscal year ended December 31, 2020. Any one or more of the foregoing factors may be exacerbated by the ongoing COVID-19 outbreak and may have a significantly more severe impact on the Corporation's business, results of operations and financial condition than in the absence of such outbreak. As a result of the current COVID-19 pandemic, additional factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: risks related to the impact and effects of the COVID-19 pandemic on economic conditions and financial markets and the resulting impact on the Corporation's business, operations, capital resources, liquidity, financial condition, margins, prospects and results; uncertainty regarding the magnitude and length of economic disruption as a result of the COVID-19 outbreak and the resulting effects on the demand environment for the Corporation's products and services; uncertainty regarding market and economic recovery in the aftermath of the COVID-19 pandemic; emergency measures and restrictions imposed by public health authorities or governments, fiscal and monetary policy responses by governments and financial institutions; disruptions to global supply chain, customers, workforce, counterparties and third-party service providers; further disruptions to operations, orders and deliveries; technology, privacy, cyber security and reputational risks; and other unforeseen adverse events.

Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. Other risks and uncertainties not presently known to the Corporation or that the Corporation presently believes are not material could also cause actual results or events to differ materially from those expressed or implied in the Corporation's forward-looking statements. The forward-looking statements set forth herein reflect management's expectations as at the date of this Circular 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 Circular are expressly qualified by this cautionary statement.

SECTION 1 : VOTING INFORMATION

WHY IS BOMBARDIER HAVING A VIRTUAL MEETING?

This year again, to appropriately respond with the public health concerns and measures related to the spread of COVID-19, and to mitigate risks to the health and safety of our shareholders, employees, communities and other stakeholders, the Corporation is providing facilities to allow its shareholders to participate in a virtual meeting format whereby registered shareholders and duly appointed proxyholders may attend and participate in the Meeting via live webcast. Attending the Meeting online enables registered shareholders and duly appointed proxyholders, including non-registered shareholders who have duly appointed themselves as proxyholder, to participate at the Meeting and ask questions, all in real time.

HOW WILL SHAREHOLDERS BE ABLE TO PARTICIPATE AT THE MEETING?

If you are a registered shareholder or duly appointed proxyholder, including a non-registered shareholder who has duly appointed himself or herself as proxyholder, you can attend the Meeting by joining the live webcast that will be available online at <https://web.lumiagm.com/482957377> where you will be able to listen to the Meeting, ask questions and vote, all in real time, provided you are connected to the internet and comply with all of the requirements set out below under “How do I vote?”. Shareholders are strongly encouraged to vote their shares in advance of the Meeting by proxy or to vote virtually at the Meeting online.

If you are a non-registered shareholder who has not duly appointed himself or herself as proxyholder or if you are a guest, you will not be able to vote virtually at the Meeting online. You may however listen to the Meeting online by logging in to the live webcast by following the instructions set out below under “I am a guest. How do I attend and participate at the Meeting?”. If you are a non-registered (beneficial) shareholder and you wish to vote virtually at the Meeting online, see “How do I vote?” below.

WHO IS SOLICITING MY PROXY?

The management of Bombardier is soliciting your proxy for use at the Meeting. In addition to solicitation by mail, directors, members of management and employees or agents of the Corporation may solicit proxies by telephone, over the internet, in writing or in person. The Corporation may, in its sole discretion, engage a proxy solicitation agent of its choosing. If applicable, the entire cost of the solicitation will be borne by Bombardier.

The management of Bombardier strongly urges you to sign and return the form of proxy that you have received in order to ensure that your votes are exercised and accounted for at the Meeting.

WHAT WILL I BE VOTING ON?

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

- the election of the directors of the Corporation;
- the appointment of Ernst & Young LLP, chartered professional accountants, (“Ernst & Young”) as the independent auditors of the Corporation; and
- the adoption of a non-binding advisory resolution on Bombardier’s approach to executive compensation.

HOW WILL THESE MATTERS BE DECIDED AT THE MEETING?

A simple majority of the votes cast, by proxy or at the Meeting, by the holders of Class A shares and by the holders of Class B subordinate voting shares, voting together, will constitute approval of each of the matters specified in this Circular.

HOW MANY VOTES DO I HAVE?

The Class B subordinate voting shares of Bombardier are restricted securities (within the meaning of the relevant Canadian regulations respecting securities) in that they do not carry equal voting rights as compared with the Class A shares.

In the event of a ballot, each Class A share carries the right to ten votes and each Class B subordinate voting share carries the right to one vote. In the aggregate, all of the voting rights associated with the Class B subordinate voting shares represented, as at March 8, 2021, 40.80% of the voting rights attached to all of the issued and outstanding voting shares of Bombardier.

Each Class A share is convertible, at any time, at the option of the holder, into one Class B subordinate voting share. Each Class B subordinate voting share will become convertible into one Class A share in the event that the Majority Holder (as defined in the restated articles of incorporation of the Corporation), namely the Bombardier family, accepts a purchase offer for Class A shares or in the event that the Majority Holder ceases to hold more than 50% of the issued and outstanding Class A shares.

The holders of Class A shares and the holders of Class B subordinate voting shares, whose names appear on the list of shareholders prepared as of the close of business at 5:00 p.m. (Montréal time) on the record date, being Monday, March 8, 2021 will be entitled to vote at the Meeting and any adjournment thereof if present or represented by proxy.

HOW MANY SHARES ARE ENTITLED TO BE VOTED?

As at March 8, 2021, there were 308,735,929 Class A shares and 2,128,112,189 Class B subordinate voting shares of Bombardier issued and outstanding.

To the knowledge of the directors and executive officers of the Corporation, the only persons who, as at March 8, 2021 beneficially own or exercise control or direction directly or indirectly over shares carrying 10% or more of the voting rights attached to any class of its issued and outstanding voting shares were Janine Bombardier, Claire Bombardier Beaudoin, Huguette Bombardier Fontaine and J.R. André Bombardier (collectively, the “Principal Shareholders”). These four persons beneficially owned or exercised control or direction over, directly or indirectly, 249,449,910 Class A shares and 30,211,319 Class B subordinate voting shares, representing in the aggregate 80.80% of the issued and outstanding Class A shares and 1.42% of the issued and outstanding Class B subordinate voting shares of the Corporation and 48.41% of all the voting rights attached to all of its issued and outstanding voting shares, as shown in the table below:

| NAME | Class A Shares | | Class B Subordinate Voting Shares | |
|------------------------------|---------------------------|------------|-----------------------------------|------------|
| | Number | % of Class | Number | % of Class |
| Janine Bombardier | 61,973,491 | 20.07% | 7,110,137 | 0.33% |
| Claire Bombardier Beaudoin | 61,373,490 ⁽¹⁾ | 19.88% | 8,695,136 ⁽²⁾ | 0.41% |
| Huguette Bombardier Fontaine | 60,701,887 | 19.66% | 7,070,136 | 0.33% |
| J. R. André Bombardier | 65,401,042 | 21.18% | 7,335,910 | 0.34% |

(1) Includes 500,000 Class A shares over which Claire Bombardier Beaudoin exercises control jointly with her husband, Laurent Beaudoin, through Beaudier Inc., a portfolio holding company of the Beaudoin family which is controlled by Laurent Beaudoin and Claire Bombardier Beaudoin, through holding companies which they control.

(2) Claire Bombardier Beaudoin exercises control over these shares jointly with her husband, Laurent Beaudoin, through Beaudier Inc., a portfolio holding company of the Beaudoin family which is controlled by Laurent Beaudoin and Claire Bombardier Beaudoin, through holding companies which they control.





In addition, as at March 8, 2021, members of the immediate family of the Principal Shareholders beneficially own, or exercise control or direction over, directly or indirectly, 12,413,275 additional Class A shares and 5,959,226 additional Class B subordinate voting shares, representing 0.75% of all the Class A shares and Class B subordinate voting shares issued and outstanding and 2.49% of all the voting rights attached to all the shares of the Corporation.

HOW DO I VOTE?

REGISTERED SHAREHOLDERS – You are a registered shareholder when your name appears on your share certificate. Your proxy form tells you whether you are a registered shareholder.

Option 1 – By proxy (proxy form)

You may vote in the following manners:

-  Internet Go to www.investorvote.com and follow the instructions.
-  Telephone Call 1 866 732 VOTE (8683) (Canada and the United States) or +1 312 588 4290 (other countries) and follow the instructions. If you use this method you can only appoint, as your proxyholder, the executive officers of the Corporation named on your proxy form.
-  Fax Return your completed proxy form by fax at 1 866 249 7775 (Canada and the United States) and at +1 416 263 9524 (other countries).
-  Mail Return your completed proxy form in the postage pre-paid return envelope provided.

Computershare Investor Services Inc. (“Computershare”), Bombardier’s transfer agent, must have received your proxy form or you must have voted by internet or telephone no later than 4:00 p.m. (Montréal time) on May 4, 2021. See “Appointment of a Proxyholder” below for the complete procedure to follow to appoint another person to act as your proxyholder.

Option 2 - Virtually at the Meeting online




1. Log in at <https://web.lumiagm.com/482957377> at least 15 minutes before the Meeting starts
2. Click on “I have a control number”
3. Enter your 15-digit control number (on your proxy form)
4. Enter the password: bombardier2021 (case sensitive)
5. Vote

You have to be connected to the internet at all times in order to be able to vote when solicited – it is your responsibility to make sure you stay connected for the entire Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

NON-REGISTERED SHAREHOLDERS – You are a non-registered shareholder when your shares are held in the name of an intermediary, usually a bank, trust company, security dealer or broker or other financial institution. When you receive a voting instruction form, this tells you that you are a non-registered shareholder.

Option 1 – By proxy (voting instruction form)

You may vote in the following manners:

- | | | |
|--|-----------|--|
|  | Internet | Go to www.ProxyVote.com and follow the instructions. |
|  | Telephone | Call 1 800 474 7493 (English) or 1 800 474 7501 (French) and follow the instructions. If you use this method you can only appoint, as your proxyholder, the executive officers of the Corporation named on your voting instruction form. |
|  | Mail | Return your completed voting instruction form in the postage pre-paid return envelope provided. |

Your intermediary is required to seek your voting instructions in advance of the Meeting. You will have received from your intermediary a package of information with respect to the Meeting, including either a proxy form or a voting instruction form. Each intermediary has its own signature and return instructions. It is important that you comply with these instructions if you want the voting rights attached to your shares to be exercised. If you vote by Internet or telephone, you must do so no later than 4:00 p.m. (Montréal time) on May 4, 2021.

Bombardier intends to pay for proximate intermediaries to send the proxy-related materials to objecting beneficial owners.

Option 2 - Virtually at the Meeting online

If you wish to vote virtually at the Meeting online, you have to follow the complete procedure set out under “Appointment of a Proxyholder” below to appoint yourself to act as your proxyholder. If you have not duly appointed yourself as proxyholder, you will not be able to vote at the Meeting online but will be able to participate as a guest. That is because Bombardier and/or Computershare do not have a record of the names of the non-registered shareholders of the Corporation.

1. Appoint yourself as proxyholder by following the complete procedure set out under “Appointment of a Proxyholder” below
2. Log in at <https://web.lumiagm.com/482957377> at least 15 minutes before the Meeting starts
3. Click on “I have a control number”
4. Enter your 4-alpha character control code
5. Enter the password: bombardier2021 (case sensitive)
6. Vote





You have to be connected to the internet at all times in order to be able to vote when solicited – it is your responsibility to make sure you stay connected for the entire Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

SHAREHOLDERS (EMPLOYEES) UNDER THE EMPLOYEE SHARE PURCHASE PLAN (“ESPP”)

If you are an employee of Bombardier and you own shares under the ESPP, your shares are registered in the name of Computershare Trust Company of Canada, the administrator of the ESPP, until such time as the shares are withdrawn from the ESPP pursuant to its terms and conditions.

Option 1 – By proxy (voting instruction form)

You may vote in the following manners:

- | | | |
|--|-----------|---|
|  | Internet | Go to www.investorvote.com and follow the instructions. |
|  | Telephone | Call 1 866 732 VOTE (8683) (Canada and the United States) or +1 312 588 4290 (other countries) and follow the instructions. |
|  | Fax | Return your completed proxy form or voting instruction form by fax at 1 866 249 7775 (Canada and the United States) and at +1 416 263 9524 (other countries). |
|  | Mail | Return your completed proxy form or voting instruction form in the postage pre-paid return envelope provided. |

Computershare must have received your proxy form or you must have voted by internet or telephone no later than 4:00 p.m. (Montréal time) on May 4, 2021. See “Appointment of a Proxyholder” below for the complete procedure to follow to appoint another person to act as your proxyholder.

Option 2 - Virtually at the Meeting online

If you wish to vote virtually at the Meeting online, you have to insert your own name in the space provided on the form of proxy or voting instruction form you have received and follow the procedure below. See “Appointment of a Proxyholder” below for the complete procedure to follow to appoint yourself to act as your proxyholder.

1. Appoint yourself as proxyholder by following the complete procedure set out under “Appointment of a Proxyholder” below
2. Log in at <https://web.lumiagm.com/482957377> at least 15 minutes before the Meeting starts
3. Click on “I have a control number”
4. Enter your 4-alpha character control code
5. Enter the password: bombardier2021 (case sensitive)
6. Vote

You have to be connected to the internet at all times in order to be able to vote when solicited – it is your responsibility to make sure you stay connected for the entire Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

SHAREHOLDERS (EMPLOYEES) UNDER THE SHARE INCENTIVE PLAN GOVERNED BY ENGLISH LAW (“SIP”)

If you are a participating employee of the SIP and you hold shares under the SIP, you must submit your voting instructions through Computershare EES Trustees Limited, the administrator of the SIP in the United Kingdom, until such time as the shares are withdrawn from the SIP pursuant to its terms and conditions.

Computershare EES Trustees Limited will seek your voting instructions in advance of the Meeting. Computershare EES Trustees Limited has its own instructions as to how you must submit your vote. It is important that you comply with these instructions if you want the voting rights attached to your shares to be exercised. If you have any questions relating to the above, please contact the Computershare Helpline at 0370 707 1484.

If you wish to vote virtually at the Meeting online, you have to insert your own name in the space provided on the form of proxy or voting instruction form you have received from Computershare EES Trustees Limited and follow the procedure below. See “Appointment of a Proxyholder” below for the complete procedure to follow to appoint another person to act as your proxyholder.

1. Appoint yourself as proxyholder by following the complete procedure set out under “Appointment of a Proxyholder” below.
2. Log in at <https://web.lumiagm.com/482957377> at least 15 minutes before the Meeting starts
3. Click on “I have a control number”
4. Enter your 4-alpha character control code
5. Enter the password: bombardier2021 (case sensitive)
6. Vote

You have to be connected to the internet at all times in order to be able to vote when solicited – it is your responsibility to make sure you stay connected for the entire Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

HOW WILL MY SHARES BE VOTED?

You have the choice to vote FOR, AGAINST or WITHHOLD, depending on the item to be voted on.

If you sign the proxy form or voting instruction form that you have received, you authorize Pierre Beaudoin and Éric Martel, respectively Chairman of the Board of Directors and President and Chief Executive Officer, as well as directors of Bombardier (or Computershare Trust Company of Canada in the case of shares held under the ESPP) to vote your shares for you at the Meeting according to your instructions. Unless contrary instructions are provided, or if you return your proxy form or voting instruction form without indicating how you want to vote your shares, the voting rights attached to Class A shares and/or Class B subordinate voting shares represented by proxies received by the management of the Corporation will be voted:

FOR the election of all the nominees proposed as directors;

FOR the appointment of Ernst & Young LLP, chartered professional accountants, as the independent auditors of the Corporation and FOR the fixing of their remuneration by the directors of the Corporation; and

FOR the adoption of a non-binding advisory resolution on Bombardier’s approach to executive compensation.

However, you may choose another person to act as your proxyholder, including someone who is not a holder of shares of the Corporation, by striking out the names printed on the proxy form or voting instruction form and inserting another person’s name in the blank space provided, or by completing another proper form of proxy. See “Appointment of a Proxyholder” below for the complete procedure to follow to appoint another person to act as your proxyholder. On the proxy form or voting instruction form, you may indicate either how you want your proxyholder to vote your shares, or you can let your proxyholder decide for you. If you have not specified on the proxy form or voting instruction form how you want your shares to be voted on a particular matter, then your proxyholder can vote

your shares as they see fit. The proxy form or voting instruction form that you have received gives authority to your proxyholder to use their discretion in voting on amendments to matters identified in the notice and on any other items that may properly come before the Meeting or any adjournment.

APPOINTMENT OF A PROXYHOLDER

The following applies to shareholders who wish to appoint someone as their proxyholder other than the Bombardier proxyholders named in the form of proxy or voting instruction form. This includes non-registered shareholders who wish to appoint themselves as proxyholder to participate or vote at the Meeting online.

Shareholders who wish to appoint someone other than the Bombardier proxyholders as their proxyholder to participate at the Meeting as their proxy and vote their Class A shares and Class B subordinate voting shares MUST submit their form of proxy or voting instruction form, as applicable, appointing that person as proxyholder AND register that proxyholder online, as described below. Registering your proxyholder online is an additional step to be completed AFTER you have submitted your form of proxy or voting instruction form. Failure to register your proxyholder online will result in the proxyholder not receiving a 4-alpha character control code that is required to vote at the Meeting.

Step 1: Submit your form of proxy or voting instruction form: To appoint someone other than the Bombardier proxyholders as proxyholder, insert that person's name in the blank space provided in the form of proxy or voting instruction form and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed before registering such proxyholder online, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.

If you are a non-registered shareholder and wish to vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary (or Computershare Trust Company of Canada or Computershare EES Trustees Limited, as applicable, in the case of shares held under the ESPP or SIP, respectively), follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder online, as described below. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary.

Step 2: Register your proxyholder online: To register a proxyholder (including non-registered shareholders who appoint themselves as proxyholder), shareholders must visit <http://www.computershare.com/Bombardier> by 4:00 p.m. (Montreal time) on May 4, 2021 and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with a control code via email. Without a control code, proxyholders will not be able to vote at the Meeting and will only be able to participate as a guest virtually at the Meeting online.

A duly appointed proxyholder must attend the Meeting virtually to vote your shares. If the proxyholder attends the Meeting online, they will be able to vote virtually at the Meeting online using the control code provided by Computershare after they have been duly registered.

WHAT IF I WANT TO REVOKE MY PROXY OR VOTING INSTRUCTION?

If you are a registered shareholder, you may revoke your proxy by completing a proxy bearing a later date and delivering it to Computershare or by stating clearly, in writing, that you wish to revoke your proxy and by delivering this written statement to Computershare, no later than the last business day before the day of the Meeting or any adjournment thereof.

If you are a non-registered shareholder, you should contact your intermediary to find out whether it is possible to change your voting instructions and what procedure to follow. Intermediaries may set deadlines for the receipt of revocation notices that are farther in advance of the Meeting than those set out above and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the form of proxy or voting instruction form to ensure it is given effect at the Meeting.

In addition, if you have followed the process for registered shareholders or non-registered shareholders, as applicable, for attending and voting virtually at the Meeting online, voting at the Meeting online will revoke any previous proxy.

IS MY VOTE CONFIDENTIAL?

Computershare preserves the confidentiality of individual shareholder votes, except (i) where a shareholder clearly intends to communicate their individual position to the management of Bombardier; and (ii) as necessary in order to comply with legal requirements.

I AM A GUEST. HOW DO I ATTEND AND PARTICIPATE AT THE MEETING?

Guests, including non-registered shareholders who have not duly appointed themselves as proxyholder may log in to the Meeting online as set out below. Guests can listen to the Meeting but are not able to vote or ask questions.

Log in online at <https://web.lumiagm.com/482957377>. We recommend that you log in at least fifteen minutes before the Meeting starts.

Click "Guest" and then complete the online form.

If you attend the Meeting online, it is important that you are connected to the Internet at all times during the Meeting. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

HOW DO I COMMUNICATE WITH COMPUTERSHARE?

You can communicate with Computershare by mail at the following address:

Computershare Investor Services Inc.

100 University Avenue

8th Floor

Toronto, Ontario, Canada M5J 2Y1

or by telephone at: 1 800 564 6253 (Canada and United States) or +1 514 982 7555 (other countries).

SECTION 2 : BUSINESS OF THE MEETING

RECEIPT OF FINANCIAL STATEMENTS

The consolidated financial statements of Bombardier for the financial year ended December 31, 2020 and the auditors' report thereon are included in the 2020 Financial Report of Bombardier. The 2020 Financial Report was mailed to shareholders who requested it.

ELECTION OF THE DIRECTORS OF BOMBARDIER

The restated articles of incorporation of Bombardier provide that its Board of Directors shall consist of not less than 5 and not more than 20 directors. Its directors are elected annually.

It is proposed that 12 directors be elected until the next annual meeting of the shareholders of Bombardier.

The term of office of each director so elected expires upon the election of their successor unless they shall resign or their office shall become vacant by death, removal or other cause.

Martha Finn Brooks and Vikram Pandit will retire at the close of the Meeting and will not seek re-election as directors. Information relating to Ms. Brooks and Mr. Pandit therefore does not appear below along with the information regarding the 12 proposed nominees for election as directors of the Corporation. Because both Ms. Brooks and Mr. Pandit will act as directors up to the Meeting, information concerning them appears in the other sections of this Circular that pertain to directors. The current Board of Directors proposes that Melinda Rogers-Hixon and Eric Sprunk be elected as new directors of the Corporation for the ensuing year.

Except where authority to vote on the election of directors is withheld, the persons named in the accompanying proxy form or voting instruction form, as the case may be, will vote for the election of the 12 nominees whose names are hereinafter set forth, all of whom are currently directors of Bombardier.

It is not contemplated that any of the nominees will be unable, or for any reason will become unwilling, to serve as a director. However, if that should occur for any reason prior to the election, the persons named in the form of proxy reserve the right to vote for another nominee in their discretion, unless a shareholder has specified in the form of proxy that their shares are to be withheld from voting on the election of directors.

Information regarding the nominees relating to their independence, year first elected or appointed as a director, previous year's voting results, age, municipality and country of residence, principal occupation, main areas of expertise, and committee memberships (Audit Committee, Human Resources and Compensation Committee ("HRCC"), Finance and Risk Management Committee ("FRMC") and Corporate Governance and Nominating Committee ("CGNC")), is provided in the biographical charts below. Also indicated for each nominee are the number of Class A shares and/or Class B subordinate voting shares beneficially owned, or controlled or directed, directly or indirectly, by the nominee, and the number of Deferred Stock Units held by the nominee.

PIERRE BEAUDOIN^{(A)(B)}



Chairman of the Board of Directors
Westmount, Québec, Canada
Age: 58
Director since 2004
Not independent
Votes in favour at previous
annual meeting: 97.59%

| | Class A Shares | Class B Subordinate Voting Shares | Deferred Stock Units |
|--------------------------|----------------|--------------------------------------|-------------------------|
| December 31, 2020 | 512,859 | 952,761 | — |
| December 31, 2019 | 512,859 | 952,761 | — |
| Change | — | — | — |

Skills and Experience

CEO/Senior Executive Officer – Business/Operations and Manufacturing Activities – International Business – Board of Directors/Corporate Governance – Government Relations

Pierre Beaudoin joined the Marine Products division of Bombardier in 1985. In October 1990, he was appointed Vice President, Product Development of the Sea-Doo/Ski-Doo division. In 1992, he was appointed Executive Vice President of the Sea-Doo/Ski-Doo division of Bombardier of which he became its President in January 1994. In April 1996, he was promoted to President and Chief Operating Officer of Bombardier Recreational Products. In February 2001, he was appointed President of Bombardier Aerospace, Business Aircraft and he became President and Chief Operating Officer of Bombardier Aerospace in October of the same year. On December 13, 2004, in addition to his duties as President and Chief Operating Officer of Bombardier Aerospace, he was appointed Executive Vice President of Bombardier and he also then became a member of the Board of Directors of Bombardier. On June 4, 2008, he was appointed President and Chief Executive Officer of Bombardier. He became Executive Chairman of the Board of Directors in February 2015 and Chairman of the Board of Directors in July 2017. He is a member of the Board of Directors of Power Corporation of Canada and BRP Inc.

JOANNE BISSONNETTE^(C)



Corporate Director
Montréal, Québec, Canada
Age: 59
Director since 2012
Not independent
Votes in favour at previous
annual meeting: 98.00%

| | Class A Shares | Class B Subordinate Voting Shares | Deferred Stock Units ^(D) |
|--------------------------|----------------|--------------------------------------|--|
| December 31, 2020 | — | 5,824 | 476,199 |
| December 31, 2019 | — | 5,824 | 420,469 |
| Change | — | — | 55,730 |

Skills and Experience

International Business – Marketing – Board of Directors/Corporate Governance

Joanne Bissonnette is a graduate of the Directors Education Program which was jointly developed by the Institute of Corporate Directors and the University of Toronto's Rotman School of Management. She obtained a Bachelor of International Commerce from the University of Ottawa in 1987. From 1987 until 1989 she was Liaison Officer and then Communications Officer at the Canadian Department of External Affairs and held positions in the Human Resources and Public Relations departments at Bombardier Aerospace between 1989 and 1994. She is a Corporate Director for various private entities.

CHARLES BOMBARDIER^(E)



Corporate Director
Montréal, Québec, Canada
Age: 47
Director since: 2019
Not independent
Votes in favour at previous
annual meeting: 97.96%

| | Class A Shares | Class B Subordinate Voting Shares | Deferred Stock Units ^(D) |
|--------------------------|----------------|--------------------------------------|--|
| December 31, 2020 | — | 16 | 186,881 |
| December 31, 2019 | — | 16 | 75,420 |
| Change | — | — | 111,461 |

Skills and Experience

Business Experience – International Business – Managing/Leading Growth and Innovation – Health, Safety and Environment and Social Responsibility – Corporate Reputation

During the past five years, Charles Bombardier has been acting as the founder and President of Imaginative. Between 2018 and 2019, he also worked as senior consultant for the International Civil Aviation Organization (ICAO) (a specialized agency of the United Nations). In addition, since November 2016, Mr. Bombardier is conducting research at the Université de Sherbrooke, where he develops neurofeedback systems applied to new product development. Mr. Bombardier is a Canadian engineer and holds a Bachelor's and a Master's of science degrees from the École de Technologie Supérieure and a certificate in board governance from Université Laval. He is a member of the Board of Directors of BRP Inc.

DIANE FONTAINE^(F)



Vice President and Portfolio Manager,
RBC Dominion Securities Inc.
Montréal, Québec, Canada
Age: 57
Director since 2019
Not independent
Votes in favour at previous
annual meeting: 98.02%

| | Class A Shares | Class B Subordinate Voting Shares | Deferred Stock Units ^(D) |
|---|----------------|-----------------------------------|-------------------------------------|
| December 31, 2020 | — | — | 186,881 |
| December 31, 2019 | — | — | 75,420 |
| Change | — | — | 111,461 |
| Skills and Experience | | | |
| Financial Literacy – Human Resources and Compensation – Marketing – Board of Directors/Corporate Governance | | | |

Diane Fontaine has been with RBC Dominion Securities Inc. since 1986 and has assumed positions of increasing responsibility including, since 2005, Vice President and Portfolio Manager. In 2000, she received the title of Fellow of the Canadian Securities Institute. Ms. Fontaine is a graduate of the Directors Education Program which was jointly developed by the Institute of Corporate Directors and the University of Toronto's Rotman School of Management. She obtained a Bachelor of Business Administration from the University of Sherbrooke in 1985.

DIANE GIARD



Corporate Director
Shefford, Québec, Canada
Age: 60
Director since 2017
Member of:
the Audit Committee (Chair)
the CGNC
Independent
Votes in favour at previous
annual meeting: 98.87%

| | Class A Shares | Class B Subordinate Voting Shares | Deferred Stock Units ^(D) |
|--|----------------|-----------------------------------|-------------------------------------|
| December 31, 2020 | — | — | 321,511 |
| December 31, 2019 | — | — | 191,473 |
| Change | — | — | 130,038 |
| Skills and Experience | | | |
| CEO/Senior Executive Officer – Financial Literacy – Business Experience – Managing/Leading Growth and Innovation – Marketing | | | |

Diane Giard was, between March 2017 until her retirement in June 2018, the Executive Vice President – Personal – Commercial Banking and Marketing of National Bank of Canada. She joined National Bank of Canada in 2011 as Executive Vice President – Marketing and less than a year later became responsible for Personal & Commercial Banking. Ms. Giard has more than 30 years' experience in the banking industry, including several years at the Bank of Nova Scotia (Scotiabank), which she joined in 1982 and where she held various executive positions of increasing responsibility including Senior Vice President of Québec & Eastern Ontario Region. Ms. Giard has a Bachelor's degree in Economics from Université de Montréal and an MBA from Université du Québec à Montréal. She is a member of the Board of Directors of TFI International Inc. and of Equitable Bank.

ANTHONY R. GRAHAM



Chairman, President and Chief
Executive Officer, Sumarria Inc., an
investment holding company
Toronto, Ontario, Canada
Age: 64
Director since: 2019
Member of:
the Audit Committee
the CGNC
Independent
Votes in favour at previous
annual meeting: 99.02%

| | Class A Shares | Class B Subordinate Voting Shares | Deferred Stock Units ^(D) |
|---|----------------|-----------------------------------|-------------------------------------|
| December 31, 2020 | — | — | 198,602 |
| December 31, 2019 | — | — | 79,710 |
| Change | — | — | 118,892 |
| Skills and Experience | | | |
| Board of Directors/Corporate Governance – CEO/Senior Executive Officer – Business Experience – International Business – Mergers and Acquisitions/Investment Banking | | | |

Anthony R. Graham is Chairman, President and Chief Executive Officer of Sumarria Inc. He was formerly a Senior Officer at Wittington Investments, Limited, the principal holding company of the Weston-Loblaw Group, of which he was President from 2000 to 2014 and Vice Chairman from 2014 to 2019. Prior to joining Wittington Investments, Limited, he held senior positions in Canada and the United Kingdom with National Bank Financial Inc. (formerly Lévesque Beaubien Geoffrion Inc.), a Montréal-based investment dealer. Mr. Graham serves on the Board of Directors of, Power Corporation of Canada as well as a number of private companies.

AUGUST W. HENNINGSEN



Corporate Director
Hamburg, Germany
Age: 70
Director since 2016
Member of:
the HRCC
Independent
Votes in favour at previous
annual meeting: 96.10%

| | Class A Shares | Class B Subordinate Voting Shares | Deferred Stock Units ^(D) |
|--------------------------|----------------|--------------------------------------|--|
| December 31, 2020 | — | 26,500 | 285,877 |
| December 31, 2019 | — | 26,500 | 230,147 |
| Change | — | — | 55,730 |

Skills and Experience

CEO/Senior Executive Officer – Business/ Operations and Manufacturing Activities – Managing/Leading Growth and Innovation – Financial Literacy – Human Resources and Compensation

August W. Henningsen was Chief Executive Officer of Lufthansa Technik AG from April 2000 until his retirement in April 2015. Prior to that, he had been General Manager and Chief Executive Officer of Ameco Beijing from August 1997 until March 2001. He began his career at Lufthansa in 1979 and held numerous positions of increasing responsibility in the Lufthansa group until July 1997. He holds a Master's degree in Mechanical and Aeronautical Engineering from the Technical University of Braunschweig. Mr. Henningsen is the Chairman of the Board of Directors of Hamburg Airport and also sits on the Board of Directors of Lufthansa Technik AG.

MELINDA ROGERS-HIXON



Deputy Chair, Rogers Communications Inc.
Toronto, Ontario, Canada
Age: 50
Director since: N/A
(Ms. Rogers-Hixon is a new candidate proposed for election as director)
Independent
Votes in favour at previous annual meeting: N/A:

| | Class A Shares | Class B Subordinate Voting Shares | Deferred Stock Units ^(D) |
|--------------------------|----------------|--------------------------------------|--|
| December 31, 2020 | — | — | — |
| December 31, 2019 | — | — | — |
| Change | — | — | — |

Skills and Experience

Senior Executive Officer – Business, Managing/Leading Growth and Innovation - Marketing - Human Resources and Compensation - Environment, Social and Governance – Board of Directors

Melinda Rogers-Hixon is a member of the board of directors of Rogers Communications Inc. since January 2002 and Deputy Chair since 2018, as well as Vice Chair of the Rogers Control Trust since 2008. Ms. Rogers-Hixon has held progressively senior roles at Rogers Communications Inc. since joining the company in 2000. She was founder of Rogers Venture Partners from 2011 to 2018 and served as Senior Vice President, Strategy and Development of Roger Communications Inc. from 2006 to 2014. Ms. Rogers-Hixon serves on the board of Maple Leaf Sports and Entertainment and is Chair of Jays Care Foundation. Ms. Rogers-Hixon holds a Bachelor's degree from the University of Western Ontario and an MBA from Joseph L. Rotman School of Management at the University of Toronto.

ÉRIC MARTEL



President and Chief Executive Officer
Mont-Royal, Québec, Canada
Age: 53
Director since: 2020
Not independent
Votes in favour at previous annual meeting: 99.08%

| | Class A Shares | Class B Subordinate Voting Shares | Deferred Stock Units |
|--------------------------|----------------|--------------------------------------|-------------------------|
| December 31, 2020 | — | — | — |
| December 31, 2019 | — | — | — |
| Change | — | — | — |

Skills and Experience

CEO/Senior Executive Officer – Business/Operations and Manufacturing Activities – Managing/Leading Growth and Innovation – Health, Safety and Environment and Social Responsibility – Government Relations

Éric Martel has been appointed as President and Chief Executive Officer of Bombardier, effective April 6, 2020. Prior to his appointment, he was President and Chief Executive Officer of Hydro-Québec since July 2015. From 2002 until 2015, he held positions of increasing responsibility within Bombardier, including President of Bombardier Aerospace Services between 2011 and 2013 and President of Bombardier Business Aircraft between January 2014 and May 2015. He holds a Bachelor's degree in electrical engineering from Université de Laval and is a member of the Ordre des ingénieurs du Québec.

DOUGLAS R. OBERHELMAN



Corporate Director
Edwards, Illinois, United States
Age: 68
Director since 2017
Member of:
the CGNC (Chair)
the HRCC
Independent
Votes in favour at previous
annual meeting: 93.14%

| | Class A Shares | Class B Subordinate Voting Shares | Deferred Stock Units ^(D) |
|---|----------------|--------------------------------------|--|
| December 31, 2020 | — | 100,000 | 246,175 |
| December 31, 2019 | — | 100,000 | 190,445 |
| Change | — | — | 55,730 |
| Skills and Experience | | | |
| Senior Executive Officer – Business/Operations and Manufacturing Activities – Financial Literacy – Human Resources and Compensation – Board of Directors/Corporate Governance | | | |

Douglas (Doug) R. Oberhelman was, at the time of his retirement in March 2017, Executive Chairman of Caterpillar, of which he had been the Chief Executive Officer from the beginning of 2010 until the end of 2016. During his 41 years at Caterpillar, Mr. Oberhelman held various executive positions of increasing responsibility, including Vice President and Chief Financial Officer from 1995 to 2002 and Group President from 2002 to 2010. He serves on the Board of Directors of Exxon Mobil Corporation and Peter Kiewit Sons', Inc. He is also Vice President of the Wetlands America Trust and Chairman of the Board of trustees for the Easter Seals Foundation of Central Illinois.

ERIC SPRUNK



Corporate Director
Seattle, Washington, United States
Age: 56
Director Since: N/A
(Mr. Sprunk is a new candidate
proposed for election as director)
Independent
Votes in favour at previous annual
meeting: N/A

| | Class A Shares | Class B Subordinate Voting Shares | Deferred Stock Units ^(D) |
|--|----------------|--------------------------------------|--|
| December 31, 2020 | — | — | — |
| December 31, 2019 | — | — | — |
| Change | — | — | — |
| Skills and Experience | | | |
| Senior Executive Officer – Business/Operations and Manufacturing Activities – Financial Literacy – Managing/Leading Growth and Innovation – Board of Directors - Social Responsibility and Audit | | | |

Eric Sprunk had been, at the time of his retirement in August 2020, Chief Operating Officer of Nike, Inc. since 2013. During his 27 years at Nike, Mr. Sprunk held various executive positions of increasing responsibility, including Executive Vice President, Global Product and Merchandising from 2008 to 2013 and Executive Vice President and General Manager, Global Footwear from 2001 to 2008. He is a member of the Board of Directors of General Mills, where he also chairs the Public Responsibility Committee and is a member of the Audit Committee. Mr. Sprunk has a Bachelor's degree in Business Administration and Accounting from the University of Montana.

ANTONY N. TYLER



Corporate Director
Pokfulam, Hong Kong
Age: 65
Director since 2017
Member of the:
the CGNC
the HRCC
Independent
Votes in favour at previous
annual meeting: 99.25%

| | Class A Shares | Class B Subordinate Voting Shares | Deferred Stock Units ^(D) |
|--|----------------|--------------------------------------|--|
| December 31, 2020 | — | — | 201,049 |
| December 31, 2019 | — | — | 145,319 |
| Change | — | — | 55,730 |
| Skills and Experience | | | |
| CEO/Senior Executive Officer – Managing/Leading Growth and Innovation – International Business – Human Resources and Compensation – Board of Directors/Corporate Governance – Government Relations | | | |

Antony N. Tyler was Director General and Chief Executive Officer of the International Air Transport Association, the trade association of the world's airlines, from 2011 to 2016. Prior to this, he spent his career with Cathay Pacific Airways Limited of which he was Chief Executive Officer from 2007 to 2011. He is a member of the Board of Directors of BOC Aviation Limited, a global aircraft operating leasing company, Qantas Airways Limited and Trans Maldivian Airways (Pvt) Ltd. and is a Fellow of the Royal Aeronautical Society.

NOTES

- (*) The information appearing on pages 10 to 14 of this Circular is determined as at December 31, 2020 and December 31, 2019, respectively.
- (*) No Series 2, Series 3 or Series 4 Preferred Shares are beneficially owned by a nominee or are subject to his or her control or direction.
- (A) Although Pierre Beaudoin does not hold any Director Deferred Stock Units, as at December 31, 2020, he held the number of Stock Options, Performance Share Units and Deferred Stock Units disclosed in Section 3 of this Circular. Please refer to the tables "Outstanding Share-Based Awards and Option-Based Awards for Pierre Beaudoin" and "Vested DSUs Total Holding Table for Pierre Beaudoin" below for details.
- (B) Claire Bombardier Beaudoin, mother of Pierre Beaudoin, exercises, through holding corporations which she controls, control or direction over 61,373,490 Class A shares, which include 500,000 Class A shares over which Claire Bombardier Beaudoin exercises controls jointly with her husband, Laurent Beaudoin, through Beaudier Inc., a holding company of the Beaudoin family which is controlled by Laurent Beaudoin and Claire Bombardier Beaudoin, through holding companies which they control. Claire Bombardier Beaudoin also exercises control jointly with her husband, Laurent Beaudoin, through Beaudier Inc. over 8,695,136 Class B subordinate voting shares.
- (C) Janine Bombardier, mother of Joanne Bissonnette, exercises, through holding corporations which she controls, control or direction over 61,973,491 Class A shares and 7,110,137 Class B subordinate voting shares.
- (D) "Deferred Stock Units" refer to the Director Deferred Stock Units credited to each of the non-executive directors pursuant to the Director Deferred Stock Unit Plan which is more fully explained in Section 3 of this Circular. The number of Deferred Stock Units for each director has been determined as at December 31, 2020 and December 31, 2019, respectively.

except for the Deferred Stock Units that were credited in payment of the applicable portion of the Board retainer and, if applicable, additional retainer and travel fees earned for the quarters ended on December 31, 2020 and December 31, 2019, respectively, the number of which was determined at January 6, 2020 and January 7, 2019, respectively.

- (E) J. R. André Bombardier, father of Charles Bombardier, exercises, through holding corporations which he controls, control or direction over 65,401,042 Class A shares and 7,335,910 Class B subordinate voting shares.
- (F) Huguette Bombardier Fontaine, mother of Diane Fontaine, exercises, through holding corporations which she controls, control or direction over 60,701,887 Class A shares and 7,070,136 Class B subordinate voting shares.

To the knowledge of Bombardier and based upon information provided by the nominees for election to the Board of Directors, no such nominee:

- a) is, as at the date of this Circular, or has been, within ten years before the date of this Circular, a director or executive officer of any company (including Bombardier) that:
 - (i) was the subject, while such person was acting in that capacity, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (ii) was subject to an event that occurred while that person was acting in such capacity and which resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (iii) while such person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- b) has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

APPOINTMENT OF THE INDEPENDENT AUDITORS OF BOMBARDIER AND AUDIT COMMITTEE INFORMATION

APPOINTMENT OF THE INDEPENDENT AUDITORS

Bombardier proposes that Ernst & Young be appointed as its independent auditors and that the directors of Bombardier be authorized to fix the remuneration of the independent auditors.

Except where authority to vote on the appointment of the independent auditors of the Corporation is withheld, the persons named in the accompanying form of proxy or voting instruction form, as the case may be, will vote FOR the appointment of Ernst & Young LLP, chartered professional accountants, and FOR their remuneration to be fixed by the directors of the Corporation.

AUDIT COMMITTEE INFORMATION

Diane Giard acts as Chair of the Audit Committee of Bombardier and Martha Finn Brooks and Anthony R. Graham are its other members. Each of them is independent and financially literate within the meaning of National Instrument 52-110 – Audit Committees.

For further information relating to the Audit Committee and independent auditors of the Corporation, please refer to the section entitled “Audit Committee Disclosure” in the Corporation’s Annual Information Form for the financial year ended December 31, 2020, which has been filed with securities regulators at www.sedar.com and may be obtained on request from the Public Affairs Department of Bombardier or at www.bombardier.com.

NON-BINDING ADVISORY VOTE ON BOMBARDIER’S APPROACH TO EXECUTIVE COMPENSATION

The approach of Bombardier regarding executive compensation is to maximize the overall performance of the Corporation through the individual performance of its executives. The goals of the policy are to attract, retain and motivate executives in order to increase business performance and enhance shareholder value which supports the pay-for-performance commitment of Bombardier.

Bombardier’s executive compensation policy focuses on total compensation: base salary, short-term incentives, long-term incentives, pension, benefits and perquisites. The Corporation’s philosophy is to position the total executive direct compensation package at the median (50th percentile) compared with similar positions in companies that have international operations and are comparable in size and complexity to Bombardier in the relevant markets.

Section 5 “Remuneration of the Executive Officers of Bombardier” of this Circular provides meaningful information on the various elements of the executive compensation policy of Bombardier.

The Board of Directors decided, during its meeting on March 30, 2011, to implement advisory, but non-binding, votes on executive compensation (otherwise known as “Say on Pay”). Thus, the shareholders of the Corporation will be called, during the Meeting, to vote “FOR” or “AGAINST” the adoption of the following resolution with respect to Bombardier’s approach to executive compensation:

“RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors of Bombardier Inc., that the shareholders of Bombardier Inc. accept the approach to executive compensation disclosed in the Management Proxy Circular delivered in advance of the annual meeting of the shareholders of Bombardier Inc. held on May 6, 2021”.

Since this is an advisory resolution, the results will not be binding on the Board of Directors. However, the members of the HRCC will take into account the results of the vote when reviewing, in the future, executive compensation philosophy, policies, programs or arrangements.

The results of the vote will also be included in the report on voting results to be posted on the SEDAR website, at www.sedar.com, following the Meeting.

The Board of Directors recommends to its shareholders and their proxyholders to vote FOR the adoption of this non-binding advisory resolution on Bombardier’s approach to executive compensation.

Adoption of this resolution will require a majority of the votes cast, by proxy or at the Meeting, by the holders of Class A shares and holders of Class B subordinate voting shares, voting together.

SECTION 3 : REMUNERATION AND ATTENDANCE RECORD OF THE DIRECTORS OF BOMBARDIER

This section describes the approach to compensation for the directors at Bombardier.

With a view to providing market competitive compensation and aligning the interests of directors and shareholders, the CGNC reviews the amount and form of non-executive directors' compensation in light of the responsibilities and time commitment required of directors. The CGNC monitors the competitiveness of Bombardier's Board of Directors compensation against public companies in Canada and the United States that have international operations and are comparable in size and complexity to Bombardier. The CGNC did not recommend any change to the amount or form of compensation for the financial year ended December 31, 2020.

Please note the following disclosure for each director who served in that capacity for any part of the most recently completed financial year, which is relevant throughout this Section 3:

- Pierre Marcouiller retired as director at the close of the previous annual meeting of the Corporation held on June 18, 2020 and ceased to be a member of the FRMC and HRCC on that date;
- Beatrice Weder di Mauro retired as director and ceased to be a member of the Audit Committee at the close of the Board of Directors meeting of the Corporation held on August 5, 2020 and ceased to be a member of the FRMC on that date;
- Antony N. Tyler was appointed as a member of the HRCC at the meeting of the Board of Directors of the Corporation held on June 18, 2020;

ATTENDANCE RECORD OF DIRECTORS DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2020

The following table sets forth the number of meetings of the Board of Directors and its Committees held between January 1, 2020 and December 31, 2020 and the record of attendance at these meetings of the directors of the Corporation, all of whom, except for Alain Bellemare, Martha Finn Brooks, Pierre Marcouiller, Vikram Pandit and Beatrice Weder di Mauro, are nominees for election to the Board of Directors for the ensuing year.

| Individual Who Acted as Director During the Year 2020 | Board | Audit Committee <i>Chair:</i> Diane Giard | Corporate Governance and Nominating Committee <i>Chair:</i> Douglas R. Oberhelman | Human Resources and Compensation Committee <i>Chair:</i> Vikram Pandit | Finance and Risk Management Committee ⁽²⁾ <i>Co-Chairs:</i> Martha Finn Brooks August W. Henningsen | Individual Attendance Rate |
|---|-------|---|---|--|---|----------------------------|
| Pierre Beaudoin ⁽¹⁾ | 21/21 | (1) | (1) | (1) | (1) | 100% |
| Éric Martel ⁽¹⁾ | 14/14 | (1) | (1) | (1) | (1) | 100% |
| Alain Bellemare ⁽¹⁾ | 5/5 | (1) | (1) | (1) | (1) | 100% |
| Joanne Bissonnette | 21/21 | — | — | — | — | 100% |
| Charles Bombardier | 21/21 | — | — | — | — | 100% |
| Martha Finn Brooks | 19/21 | 6/6 | — | — | 2/2 | 93% |
| Diane Fontaine | 21/21 | — | — | — | — | 100% |
| Diane Giard | 21/21 | 6/6 | 4/4 | — | — | 100% |
| Anthony R. Graham | 20/21 | 5/6 | 4/4 | — | — | 93% |
| August W. Henningsen | 19/21 | — | — | 8/8 | 2/2 | 93% |
| Pierre Marcouiller | 10/11 | 3/3 | — | 3/3 | — | 94% |
| Douglas R. Oberhelman | 21/21 | — | 4/4 | 8/8 | — | 100% |
| Vikram Pandit | 20/21 | — | 4/4 | 8/8 | — | 97% |
| Antony N. Tyler | 19/21 | — | 4/4 | 5/5 | 2/2 | 94% |
| Beatrice Weder di Mauro | 12/15 | 3/4 | — | — | 2/2 | 81% |
| Overall Attendance Rate: | 96% | 92% | 100% | 100% | 100% | — |

(1) The Chairman of the Board of Directors, Pierre Beaudoin, the former President and Chief Executive Officer, Alain Bellemare, and the President and Chief Executive Officer, Éric Martel, were not members of any of the committees of the Board of Directors; however, they were entitled to attend and to participate in all the meetings of the committees (except in camera meetings), but not to vote.

(2) The FRMC held two meetings in 2020 and was disbanded at the Board of Directors meeting of the Corporation held on June 18, 2020 and the roles and responsibilities of the FRMC were consolidated with those of the Audit Committee.

ELEMENTS OF COMPENSATION DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2020

The following table illustrates the elements of compensation to which the directors were entitled during the financial year ended December 31, 2020, with the exception of Alain Bellemare and Éric Martel, who received no compensation for serving as a director of the Corporation. On March 24, 2020, in response to the COVID-19 pandemic, the Chairman and members of the Board of Directors agreed to forgo their retainer for the remainder of 2020, which resulted in an effective reduction of 75%.

| Type of Fees | 2020 Authorized Annual Retainer (\$) | 2020 Actual Annual Retainer (\$) |
|---|--|--|
| Board Retainers | | |
| Chairman of the Board of Directors | 500,000 | 125,000 |
| Directors (other than the Chairman of the Board of Directors and the President and Chief Executive Officer) | 150,000 | 37,500 |
| Additional Retainers | | |
| Lead Director of the Board of Directors | 15,000 | 3,750 |
| Audit Committee Chair | 20,000 | 5,000 |
| Other Committee Chair | 10,000 | 2,500 |
| Committee Members (other than the Chair) | 5,000 | 1,250 |
| Travel Fees | | |
| Travel Fees ⁽¹⁾ | 2,500 | — |

(1) Every time a director has a travel time of three hours or more from their residence in order to attend a meeting of the Board of Directors and/or one of its committees, in person, they are entitled to receive travel fees.

No fees are paid for attendance at Board of Directors or committee meetings, subject to the travel fees mentioned in the above table when applicable.

Certain directors also receive a limited number of perquisites and benefits such as office administration, car allowance and group and/or life insurance. See “Summary Compensation Table” below for further details.

The Chairman of the Board of Directors is also entitled to an annual business development allocation in an aggregate amount of \$250,000, pursuant to a business development agreement entered into between the Corporation and Pierre Beaudoin in 2017, under which the latter assists the Corporation with customer transactions, stakeholder relations and sales campaigns, and continues to participate to various international events and conferences. Pierre Beaudoin has served in a variety of key roles at Bombardier over the past 30+ years (including President and Chief Executive Officer between 2008 and February 2015 and Executive Chairman between February 2015 and June 2017), and understands the Corporation and its various stakeholders. His deep knowledge of the industries in which Bombardier operates, long-term perspective and lifelong commitment to the Corporation adds significant value to the Corporation’s stakeholder relationships. Mr. Beaudoin is an advocate for sustainability at the Corporation which adds significant value to Board of Directors deliberations. Under Mr. Beaudoin’s leadership, the Board of Directors provided the Corporation with direction on various corporate-wide issues such as sustainability, mobility and stakeholder relationships.

Please also see “Minimum Shares and/or DDSUs Holding Requirement” and “Director Deferred Stock Unit Plan” below for details on the allocation of compensation earned during the financial year ended December 31, 2020 by the directors of the Corporation entitled to receive them as between fees credited in Director Deferred Stock Units (“DDSUs”) and those paid in cash.

ALLOCATION OF COMPENSATION EARNED DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2020

The following table shows the allocation of compensation earned during the financial year ended December 31, 2020 by the directors of the Corporation entitled to receive them. On March 24, 2020, the Chairman and members of the Board of Directors agreed to forgo compensation for the remainder of 2020.

| Director | Annual Fees | | | | Travel Fees | Total | Allocation of Compensation | | |
|---|------------------------------------|--------------------|-----------------|------------|---------------------------------|------------------------|------------------------------|-----------------------------------|---|
| | Board Retainer ⁽¹⁾ (\$) | Lead Director (\$) | Committees (\$) | Total (\$) | Travel Fees ⁽²⁾ (\$) | Total Fees Earned (\$) | Total Fees Paid in Cash (\$) | Total Fees Credited in DDSUs (\$) | Number of DDSUs Credited ⁽³⁾ |
| Pierre Beaudoin | 500,000 | — | — | 500,000 | — | 128,800 | 128,800 | — | — |
| Joanne Bissonnette ⁽⁴⁾ | 150,000 | — | — | 150,000 | — | 37,500 | 18,750 | 18,750 | 55,730 |
| Charles Bombardier | 150,000 | — | — | 150,000 | — | 37,500 | — | 37,500 | 111,461 |
| Martha Finn Brooks ⁽²⁾⁽⁴⁾ | 150,000 | — | 10,000 | 160,000 | 2,500 | 43,750 | 25,000 | 18,750 | 55,730 |
| Diane Fontaine | 150,000 | — | — | 150,000 | — | 37,500 | — | 37,500 | 111,461 |
| Diane Giard ⁽⁵⁾ | 150,000 | — | 25,000 | 175,000 | — | 43,750 | — | 43,750 | 130,038 |
| Anthony R. Graham ⁽⁵⁾ | 150,000 | — | 10,000 | 160,000 | — | 40,000 | — | 40,000 | 118,892 |
| August W. Henningsen ⁽²⁾ | 150,000 | — | 10,000 | 160,000 | 2,500 | 43,750 | 25,000 | 18,750 | 55,730 |
| Pierre Marcouiller ⁽⁵⁾ | 150,000 | — | 5,000 | 155,000 | — | 40,000 | — | 40,000 | 118,892 |
| Douglas R. Oberhelman ⁽²⁾⁽⁴⁾ | 150,000 | — | 15,000 | 165,000 | 2,500 | 43,750 | 25,000 | 18,750 | 55,730 |
| Vikram Pandit ⁽²⁾⁽⁴⁾ | 150,000 | 15,000 | 15,000 | 180,000 | 2,500 | 47,500 | 28,750 | 18,750 | 55,730 |
| Antony N. Tyler ⁽²⁾ | 150,000 | — | 10,000 | 160,000 | 2,500 | 42,500 | 23,750 | 18,750 | 55,730 |
| Beatrice Weder di Mauro | 150,000 | — | 6,250 | 156,250 | — | 40,000 | 21,250 | 18,750 | 55,730 |

(1) This reflects the initially approved retainer for 2020. However, on March 24, 2020 all members of the Board of Directors agreed to forgo their compensation (in their capacity as directors) for the remainder of 2020, as reflected in the "Total Fees Earned" column. Allocations under the business development agreement entered into between the Corporation and Pierre Beaudoin in 2017 were paid in accordance with the terms of such agreement, as described under the Summary Compensation Table on the next page.

(2) This director was entitled to travel fees of \$2,500 for each meeting which they attended in person, where applicable.

(3) Included in these numbers are DDSUs that were credited on January 6, 2020 in payment of the applicable portion of the Board retainer.

(4) This director elected to receive only 50% of their Board retainer in the form of DDSUs.

(5) This director elected to receive 100% of their additional retainers and/or travel fees in DDSUs.

SUMMARY COMPENSATION TABLE

The Summary Compensation Table below shows all of the annual compensation information for each of the directors for the financial year ended December 31, 2020, with the exception of Alain Bellemare, former President and Chief Executive Officer, and Éric Martel, President and Chief Executive Officer, who did not receive any compensation for acting as a director of the Corporation.

On March 24, 2020, the Chairman and members of the Board of Directors agreed to forgo compensation for the remainder of 2020. Allocations under the business development agreement entered into between the Corporation and Pierre Beaudoin in 2017 were paid in accordance with the terms of such agreement, as described under the Summary Compensation Table below.

The remuneration of the former President and Chief Executive Officer, Alain Bellemare, and the remuneration of the President and Chief Executive Officer, Éric Martel, is disclosed in Section 5 of this Circular.

| Director | Total Fees Earned ⁽¹⁾ (\$) | All Other Compensation (\$) | Total Compensation (\$) |
|-------------------------|--|--------------------------------|----------------------------|
| Pierre Beaudoin | 128,800 | 315,000 ⁽²⁾ | 442,200 |
| Joanne Bissonnette | 37,500 | — | 37,500 |
| Charles Bombardier | 37,500 | — | 37,500 |
| Martha Finn Brooks | 43,750 | — | 43,750 |
| Diane Fontaine | 37,500 | — | 37,500 |
| Diane Giard | 43,750 | — | 43,750 |
| Anthony R. Graham | 40,000 | — | 40,000 |
| August W. Henningsen | 43,750 | — | 43,750 |
| Pierre Marcouiller | 40,000 | — | 40,000 |
| Douglas R. Oberhelman | 43,750 | — | 43,750 |
| Vikram Pandit | 47,500 | — | 47,500 |
| Antony N. Tyler | 42,500 | — | 42,500 |
| Beatrice Weder di Mauro | 40,000 | — | 40,000 |

(1) Please refer to the previous table "Allocation of Compensation Earned during the Financial Year ended December 31, 2020" of this Circular for details on the allocation of compensation earned during the financial year ended December 31, 2020 as between fees credited in DDSUs and those paid in cash.

(2) Including an amount of \$250,000, which represents the aggregate annual business development allocation under the business development agreement entered into between the Corporation and Pierre Beaudoin in 2017. Also included in this amount is (i) the sum of \$27,800, which represents the aggregate costs to Bombardier for the car allowance of Pierre Beaudoin, including the actual car leasing costs, insurance, parking, and other vehicle operation costs, (ii) the sum of \$29,300, which represents the estimated costs to Bombardier for medical exams and premium paid for group insurance in excess of that generally available to retired employees, and (iii) the sum of \$7,900, which represents the costs to Bombardier for personal use of corporate aircraft, which amount represents the difference between the aggregate incremental operating costs to Bombardier for the personal use of the corporate aircraft by Mr. Beaudoin, and the costs that he reimbursed; the calculation of incremental operating costs to Bombardier for personal use of the corporate aircraft includes the variable costs incurred as a result of personal flight activity such as aircraft fuel, trip-related maintenance and repairs, catering, landing and parking fees, crew expenses and low value equipment and supplies. The amounts paid were converted from Canadian dollars to US dollars based on an average exchange rate of 0.7461 during the year ended December 31, 2020.

In addition to the annual compensation shown in the Summary Compensation Table above, Pierre Beaudoin received the following pension benefits during the financial year ended December 31, 2020, to which he was entitled as a former executive of Bombardier. As this amount was previously earned by him in respect of his service as executive officer of Bombardier in prior years, it is not included as remuneration in the Summary Compensation Table for the financial year ended December 31, 2020, and relevant details can be found in previous years' circulars of Bombardier.

| Director | Pension Benefits ⁽¹⁾ (\$) |
|-----------------|---|
| Pierre Beaudoin | 818,100 |

(1) All amounts paid were converted from Canadian dollars to US dollars based on an average exchange rate of 0.7461 during the year ended December 31, 2020.

MINIMUM SHARES AND/OR DDSUS HOLDING REQUIREMENT

The Board of Directors believes that it is important that directors demonstrate their commitment to Bombardier's growth through their respective shares and/or DDSUs holding.

Each director (other than the Chairman of the Board and the President and Chief Executive Officer) is required to hold shares and/or DDSUs having a minimum value of CDN \$400,000 (equal to \$307,800 based on an exchange rate of 0.7849 as of December 31, 2020 and to \$293,500 based on an exchange rate of 0.7696 as of December 31, 2019) throughout their tenure as a director.

To encourage directors (other than the Chairman of the Board and directors who are also executive officers) to better align their interests with those of the shareholders by having an investment in the Corporation, the Director Deferred Stock Unit Plan (the "DDSU Plan") provides that until an eligible director meets this minimum holding requirement (it being understood that future declines in the trading price of shares on the Toronto Stock Exchange ("TSX") will not impact directors' prior compliance with the holding requirement), their Board retainer will be entirely credited to him/her in the form of DDSUs. Once the required threshold is met, such director must continue to receive at least 50% of their Board retainer in the form of DDSUs. In addition, each eligible director who is a Canadian or United States resident may elect to receive 50% or more of their other fees (i.e. additional retainers and/or travel fees, as applicable) in the form of DDSUs. Directors who are not residents of Canada or the United States must receive their additional retainers, travel fees and, once the holding requirement is met, 50% of their Board retainer, in cash. Please see "Director Deferred Stock Unit Plan" below for further details on DDSUs.

Pursuant to Bombardier's Code of Ethics (the "Code of Ethics"), directors shall not engage in hedging activities or in any form of transactions of publicly-traded options in Bombardier securities, or any other form of derivatives relating to Bombardier securities, including "puts" and "calls". In addition, directors shall not sell Bombardier securities that they do not own (short sale).

DIRECTOR DEFERRED STOCK UNIT PLAN

DDSUs have a value equal to the weighted average trading prices of the Class B subordinate voting shares on the TSX for the five trading days immediately preceding the date of grant. DDSUs are vested on the date of grant and take the form of a bookkeeping entry credited to the eligible director's account for as long as they remain a director. DDSUs will be redeemed for cash upon request after the eligible director ceases to be a director, failing which the DDSUs will automatically be redeemed for cash upon the expiry of a pre-determined period. The value of a DDSU, when redeemed for cash, is equal to the closing price of the Class B subordinate voting shares on the TSX on the last trading day preceding the day of the redemption. DDSUs earn dividend equivalents in the form of additional DDSUs at the same rate as the dividends paid on the Class B subordinate voting shares. The DDSU plan is not dilutive.

DIRECTOR SHARES AND/OR DDSUS HOLDING TABLE

The following table provides information on the number and value of the Class A shares and/or Class B subordinate voting shares of Bombardier and/or DDSUs beneficially owned, or controlled or directed, directly or indirectly, by the current directors of Bombardier, excluding Éric Martel who, as current President and Chief Executive Officer, is a NEO (in his case, please refer to the information disclosed in Section 5 of this Circular).

| Director | Financial Year Ended December 31 ⁽¹⁾ | Number of Class A Shares | Number of Class B Subordinate Voting Shares | Total Value of Shares ⁽²⁾ (\$) | Number of DDSUs | Total value of DDSUs ⁽²⁾ (\$) | Total Number of Shares and DDSUs | Total Value of Shares and DDSUs ⁽²⁾ (\$) | Share Ownership Threshold Met |
|--------------------------------|---|--------------------------|---|---|-----------------|--|----------------------------------|---|-------------------------------|
| Pierre Beaudoin ⁽³⁾ | 2020 | 512,859 | 952,761 | 689,040 | — | — | 1,465,620 | 689,040 | yes |
| | 2019 | 512,859 | 952,761 | 2,201,800 | — | — | 1,465,620 | 2,201,800 | yes |
| | Net change | — | — | (1,512,760) | — | — | — | (1,512,760) | |
| Joanne Bissonnette | 2020 | — | 5,824 | 2,194 | 476,199 | 179,409 | 482,023 | 181,603 | yes |
| | 2019 | — | 5,824 | 8,700 | 420,469 | 624,500 | 426,293 | 633,200 | yes |
| | Net change | — | — | (6,506) | 55,730 | (445,091) | 55,730 | (451,597) | |
| Charles Bombardier | 2020 | — | 16 | 6 | 186,881 | 70,408 | 186,897 | 70,414 | no |
| | 2019 | — | 16 | 24 | 75,420 | 112,000 | 75,436 | 112,024 | no |
| | Net change | — | — | (18) | 111,461 | (41,592) | 111,461 | (41,610) | |
| Martha Finn Brooks | 2020 | — | 30,000 | 11,303 | 588,316 | 221,649 | 618,316 | 232,952 | yes |
| | 2019 | — | 30,000 | 44,600 | 532,586 | 791,100 | 562,586 | 835,700 | yes |
| | Net change | — | — | (33,297) | 55,730 | (569,451) | 55,730 | (602,748) | |
| Diane Fontaine | 2020 | — | — | — | 186,881 | 70,408 | 186,881 | 70,408 | no |
| | 2019 | — | — | — | 75,420 | 112,000 | 75,420 | 112,000 | no |
| | Net change | — | — | — | 111,461 | (41,592) | 111,461 | (41,592) | |
| Diane Giard | 2020 | — | — | — | 321,511 | 121,130 | 321,511 | 121,130 | no |
| | 2019 | — | — | — | 191,473 | 284,400 | 191,473 | 284,400 | no |
| | Net change | — | — | — | 130,038 | (163,270) | 130,038 | (163,270) | |
| Anthony R. Graham | 2020 | — | — | — | 198,602 | 74,824 | 198,602 | 74,824 | no |
| | 2019 | — | — | — | 79,710 | 118,400 | 79,710 | 118,400 | no |
| | Net change | — | — | — | 118,892 | (43,576) | 118,892 | (43,576) | |
| August W. Henningsen | 2020 | — | 26,500 | 9,984 | 285,877 | 107,705 | 312,377 | 117,689 | yes |
| | 2019 | — | 26,500 | 39,400 | 230,147 | 341,800 | 256,647 | 381,200 | yes |
| | Net change | — | — | (29,416) | 55,730 | (234,095) | 55,730 | (263,511) | |
| Pierre Marcouiller | 2020 | — | — | — | 345,985 | 130,351 | 345,985 | 130,351 | yes |
| | 2019 | — | — | — | 227,093 | 337,300 | 227,093 | 337,300 | yes ⁽⁴⁾ |
| | Net change | — | — | — | 118,892 | (206,949) | 118,892 | (206,949) | |
| Douglas R. Oberhelman | 2020 | — | 100,000 | 37,675 | 246,175 | 92,747 | 346,175 | 130,422 | yes |
| | 2019 | — | 100,000 | 148,500 | 190,445 | 282,900 | 290,445 | 431,400 | yes ⁽⁴⁾ |
| | Net change | — | — | (110,825) | 55,730 | (190,153) | 55,730 | (300,978) | |
| Vikram Pandit | 2020 | — | — | — | 433,181 | 163,202 | 433,181 | 163,202 | yes |
| | 2019 | — | — | — | 377,451 | 560,600 | 377,451 | 560,600 | yes |
| | Net change | — | — | — | 55,730 | (397,398) | 55,730 | (397,398) | |
| Antony N. Tyler | 2020 | — | — | — | 201,049 | 75,746 | 201,049 | 75,746 | yes ⁽⁴⁾ |
| | 2019 | — | — | — | 145,319 | 215,800 | 145,319 | 215,800 | yes ⁽⁴⁾ |
| | Net change | — | — | — | 55,730 | (140,054) | 55,730 | (140,054) | |
| Beatrice Weder di Mauro | 2020 | — | — | — | 285,877 | 107,705 | 285,877 | 107,705 | yes |
| | 2019 | — | — | — | 230,147 | 341,800 | 230,147 | 341,800 | yes ⁽⁵⁾ |
| | Net change | — | — | — | 55,730 | (234,095) | 55,730 | (234,095) | |

(1) The number of the Class A shares, Class B subordinate voting shares or DDSUs beneficially owned, or controlled or directed, directly or indirectly, by each director for the financial years ended December 31, 2020 and December 31, 2019 is determined at December 31, 2020 and as at December 31, 2019, respectively, except for the DDSUs that were credited in payment of the applicable portion of the Board retainer and, if applicable, additional retainer and travel fees earned for the quarters ended on December 31, 2020 and December 31, 2019, respectively, the number of which was determined at January 6, 2020 and January 7, 2019, respectively.

(2) The total value for the financial year ended December 31, 2020 is calculated on the basis of the December 31, 2020 closing prices of the Class A share and the Class B subordinate voting share of CDN \$0.82 and CDN \$0.48, respectively, converted from Canadian dollars to US dollars based on an exchange rate of 0.7849. The total value for the financial year ended December 31, 2019 is calculated on the basis of the December 31, 2019 closing prices of the Class A share and the Class B subordinate voting share of CDN \$1.94 and CDN \$1.93, respectively, converted from Canadian dollars to US dollars based on an exchange rate of 0.7696. This value also corresponds to the market or payout value of DDSUs not paid out or distributed.

(3) In addition, Pierre Beaudoin held at December 31, 2020 the numbers of stock options, PSUs and DSUs (as hereinafter defined) disclosed in Section 3 of this Circular. Please refer to the tables "Outstanding Share-Based Awards and Option-Based Awards for Pierre Beaudoin" and "Vested DSUs Total Holding Table for Pierre Beaudoin" below for details.

(4) This director reached the minimum threshold under the DDSU Plan in 2018.

(5) This director reached the minimum threshold under the DDSU Plan in 2017.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS FOR PIERRE BEAUDOIN

| Name | Grant Date | Option-Based Awards | | | | Share-Based Awards | | |
|-----------------|------------------|--|---|------------------------|---|---|--|--|
| | | Number of Securities Underlying Unexercised Options at Financial Year-End ⁽¹⁾ | Option Exercise Price ⁽²⁾ (\$) | Option Expiration Date | Value of Unexercised in-the-money Options at Financial Year End ⁽³⁾ (\$) | Number of PSUs/DSUs that Have Not Vested at the End of the Financial Year | Market Value of PSUs/DSUs that Have Not Vested at the End of the Financial Year (\$) | Market Value of Vested Share-Based Awards not Paid or Distributed (\$) |
| Pierre Beaudoin | August 9, 2013 | 776,981 | 3.83 | May 23, 2021 | — | — | 328,900 | |
| | November 6, 2014 | 1,395,598 | 2.97 | November 6, 2021 | — | — | | |
| | August 7, 2015 | 4,636,037 | 1.30 | August 7, 2022 | — | — | | |
| | August 12, 2016 | 1,377,845 | 1.55 | August 12, 2023 | — | — | | |
| | August 4, 2017 | — ⁽⁴⁾ | — | — | — | — | | |

(1) As of December 31, 2020, stock options granted on August 9, 2013, November 6, 2014, August 7, 2015 and August 12, 2016 were vested.

(2) The exercise price of the stock options in this table is equal to the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant was made. The exercise price was converted from Canadian dollars to US dollars based on an exchange rate of 0.7849 as of December 31, 2020.

(3) The value of unexercised in-the-money options as of December 31, 2020 is the difference between the closing price of the underlying shares as of that date and the exercise price. These options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the shares on the date of exercise. Based on the closing price of the Class B subordinate voting shares of CDN \$0.48 and an exchange rate from Canadian dollars to US dollars of 0.7849 as of December 31, 2020.

(4) Pierre Beaudoin has not received any stock options since August 12, 2016.

Please refer to "Remuneration of the Executive Officers of Bombardier - Compensation Elements - Long-Term Incentive Plans" of Section 5 of this Circular for details on PSUs and to "Appendix (Stock Options and 2010 Deferred Share Unit Plan (2010 DSUP))" for relevant details on DSUs and the DSU Plan and 2010 DSUP.

VESTED DSUS TOTAL HOLDING TABLE FOR PIERRE BEAUDOIN

| Name | Number of Vested DSUs as of December 31, 2019 | Number of Additional Vested or Credited DSUs During the Year ⁽¹⁾ | Number of Vested DSUs as of December 31, 2020 | Market Value of Vested DSUs as of December 31, 2020 ⁽²⁾ (\$) |
|-----------------|---|---|---|---|
| Pierre Beaudoin | 872,896 | — | 872,896 | 328,900 |

(1) No additional DSUs were credited nor vested during the financial year ended December 31, 2020 and no cash dividends were paid on the Class B subordinate voting shares during the period from January 1, 2020 to December 31, 2020.

(2) Based on the closing price of the Class B subordinate voting shares on December 31, 2020 of CDN \$0.48 and converted from Canadian dollars to US dollars based on an exchange rate of 0.7849 as of December 31, 2020.

Please refer to "Appendix (Stock Options and 2010 Deferred Share Unit Plan (2010 DSUP))" for relevant details on DSUs and the DSU Plan and 2010 DSUP.

INCENTIVE PLAN AWARDS FOR PIERRE BEAUDOIN – VALUE REALIZED ON EXERCISE AND VALUE VESTED OR EARNED DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2020

| Name | Option-Based Awards – Value Realized on Exercise During the Year ⁽¹⁾ (\$) | Option-Based Awards – Value Vested During the Year ⁽²⁾ (\$) | Share-Based Awards – Value Vested During the Year ⁽³⁾ (\$) | Non-Equity Incentive Plan Compensation – Value Earned During the Year ⁽⁴⁾ (\$) |
|-----------------|--|--|---|---|
| Pierre Beaudoin | — | — | 315,100 | — |

(1) During 2020, no stock options were exercised by Pierre Beaudoin.

(2) The value is determined assuming the stock options would have been exercised on the vesting date of each relevant grant, based on the difference between the closing price of the Class B subordinate voting shares as of that date and the exercise price, and an exchange rate from Canadian dollars to US dollars on the vesting date. Some of these options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the Class B subordinate voting shares on the date of exercise. Since all stock options held by Pierre Beaudoin had fully vested prior to January 2020, no value vested during the year.

(3) All previously outstanding PSUs vested on August 3, 2020 and August 12, 2020, and none are still outstanding. The value is determined by multiplying the number of vested PSUs by the closing prices of the Class B subordinate voting shares on August 3, 2020 and August 12, 2020, the vesting dates, of CDN \$0.47 and \$0.42 respectively, and an exchange rate from Canadian dollars to US dollars of 0.7460 and 0.7545. No DSUs vested during the financial year ended December 31, 2020. Please refer to "Remuneration of the Executive Officers of Bombardier— Compensation Elements – Long-Term Incentive Plans" of Section 5 of this Circular.

(4) As non-executive Chairman of the Board of Directors since July 1, 2017, Pierre Beaudoin is no longer eligible to participate in the short-term and long-term incentive plans.

Deferred Share Unit Plan ("DSU Plan") and 2010 Deferred Share Unit Plan ("2010 DSUP")

The objectives of each of the DSU Plan and 2010 DSUP is to align executives' interests with shareholder value growth, to focus on achieving financial results with a strong pay-for-performance emphasis, and to retain key talent.

The HRCC believes that these incentive plans fulfill the executive compensation policy objectives because:

- they recognize and reward the impact of longer-term strategic actions undertaken by the executives;

- they promote executive retention since the grants vest over a number of years;
- the value of the grants depends on the future value of the Class B subordinate voting shares; and
- in the case of DSUs granted prior to June 2010, there is no dilution effect on shareholders as such DSUs are delivered, upon settlement, in cash or as Class B subordinate voting shares purchased on the secondary market.

The HRCC sets target objectives for each grant based on Bombardier's financial goals. These incentive plans are designed to motivate executives to exceed Bombardier's financial targets through the application of thresholds for payouts and increased payouts when targets are exceeded.

Please refer to "Appendix (Stock Options and 2010 Deferred Share Unit Plan (2010 DSUP))" for relevant details on DSUs and the DSU Plan and 2010 DSUP.

No DSUs were granted to Mr. Beaudoin during the financial years ended December 31, 2018, 2019 and 2020.

SECTION 4 : CORPORATE GOVERNANCE

Bombardier believes that strong corporate governance is linked to strong corporate performance resulting in sustained profitability and, therefore, enhances shareholder value.

As more fully described below, Bombardier has corporate governance policies and practices which comply with and, in certain instances, even surpass, the requirements of *National Instrument 52-110-Audit Committees* (as amended, "NI 52-110"), which sets out rules regarding the composition and responsibilities of public company audit committees, *National Policy 58-201 Corporate Governance Guidelines* and *National Instrument 58-101-Disclosure of Corporate Governance Practices*.

In addition, Bombardier continuously seeks to strengthen its corporate governance practices by monitoring the coming into effect of new regulatory requirements and the evolution of best practices so as to be able to adjust its policies and practices accordingly, but always in light of its own specificity.

COMPOSITION OF THE BOARD OF DIRECTORS

As of the date of this Circular, the Board of Directors is composed of 12 directors. Detailed information on each of the 12 nominees proposed to be elected or re-elected as directors of the Corporation for the current year and their respective attendance records at Board of Directors and committee meetings is found in Sections 2 and 3, respectively, of this Circular.

The Chairman of the Board of Directors is Pierre Beaudoin.

DIRECTOR INDEPENDENCE

The CGNC has determined that 7 of the 12 current directors and 7 of the 12 nominees proposed for election as directors of the Corporation are independent, thus representing more than a majority of the directors, based on the following analysis:

| Director | Management | Independent | |
|-----------------------|---------------------------------------|-------------|---|
| | | Yes | No |
| Pierre Beaudoin | Chairman of the Board of Directors | | <p>(1) Son of Claire Bombardier Beaudoin who, through holding corporations which she controls, holds (with Janine Bombardier, Huguette Bombardier Fontaine and J. R. André Bombardier) a sufficient number of the voting rights attached to all issued and outstanding voting shares of Bombardier to affect materially the control of Bombardier and of Laurent Beaudoin, former director and Chairman Emeritus of the Board of Directors.</p> <p>(2) Nephew of Janine Bombardier, of Huguette Bombardier Fontaine, of J. R. André Bombardier, former director and Vice Chairman of the Board of Directors and of Jean-Louis Fontaine, former director and Vice Chairman of the Board of Directors.</p> <p>(3) Cousin of Joanne Bissonnette, of Charles Bombardier and of Diane Fontaine.</p> |
| Joanne Bissonnette | | | <p>(1) Daughter of Janine Bombardier who, through holding corporations which she controls, holds (with Claire Bombardier Beaudoin, Huguette Bombardier Fontaine and J. R. André Bombardier) a sufficient number of the voting rights attached to all issued and outstanding voting shares of Bombardier to affect materially the control of Bombardier.</p> <p>(2) Niece of Claire Bombardier Beaudoin, of Huguette Bombardier Fontaine, of J. R. André Bombardier, former director and Vice Chairman of the Board of Directors, of Laurent Beaudoin, former director and Chairman Emeritus of the Board of Directors and of Jean-Louis Fontaine, former director and Vice Chariman of the Board of Directors.</p> <p>(3) Cousin of Pierre Beaudoin, Chairman of the Board of Directors, of Charles Bombardier and of Diane Fontaine.</p> |
| Martha Finn Brooks | | ✓ | |
| Charles Bombardier | | | <p>(1) Son of J. R. André Bombardier who, through holding corporations which he controls, holds (with Janine Bombardier, Claire Bombardier Beaudoin and Huguette Bombardier Fontaine) a sufficient number of the voting rights attached to all issued and outstanding voting shares of Bombardier to affect materially the control of Bombardier.</p> <p>(2) Nephew of Claire Bombardier Beaudoin, of Huguette Bombardier Fontaine, of Janine Bombardier, of Laurent Beaudoin, former director and Chairman Emeritus of the Board of Directors and of Jean-Louis Fontaine, former director and Vice Chairman of the Board of Directors.</p> <p>(3) Cousin of Pierre Beaudoin, Chairman of the Board of Directors, of Joanne Bissonnette and of Diane Fontaine.</p> |
| Diane Fontaine | | | <p>(1) Daughter of Huguette Bombardier Fontaine who, through holding corporations which she controls, holds (with Janine Bombardier, Claire Bombardier Beaudoin and J. R. André Bombardier) a sufficient number of the voting rights attached to all issued and outstanding voting shares of Bombardier to affect materially the control of Bombardier and of Jean-Louis Fontaine, former director and Vice Chairman of the Board of Directors.</p> <p>(2) Niece of Claire Bombardier Beaudoin, of Janine Bombardier, of J. R. André Bombardier, former director and Vice Chairman of the Board of Directors and of Laurent Beaudoin, former director and Chairman Emeritus of the Board of Directors.</p> <p>(3) Cousin of Pierre Beaudoin, Chairman of the Board of Directors, of Joanne Bissonnette and of Charles Bombardier.</p> |
| Diane Giard | | ✓ | |
| Anthony R. Graham | | ✓ | |
| August W. Henningsen | | ✓ | |
| Melinda Rogers-Hixon | | ✓ | |
| Éric Martel | President and Chief Executive Officer | | Executive Officer of Bombardier |
| Douglas R. Oberhelman | | ✓ | |
| Vikram Pandit | | ✓ | |
| Eric Sprunk | | ✓ | |
| Antony N. Tyler | | ✓ | |

The directorships of all director nominees are described in their respective biographies in Section 2 of this Circular.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

- **Mandate of the Board of Directors** The mandate of the Board of Directors is reproduced at Exhibit “A” to this Circular and also on the website of Bombardier at www.bombardier.com.

- **Stewardship of Bombardier** In accordance with the CBCA and as stated in its mandate, the role of the Board of Directors is to supervise the management of the business and affairs of the Corporation with the objective of creating sustained profitability and, therefore, enhancing shareholder value.

It is the role of management to conduct the day-to-day operations of Bombardier in a way that is consistent with the strategic plan, operating plans and budgets approved by the Board of Directors. In this context, the President and Chief Executive Officer of Bombardier makes recommendations to the Board of Directors with respect to matters of corporate strategy and policy. The Board of Directors then makes the decisions which it deems appropriate and supervises the execution of such decisions and reviews the results obtained.

The Board of Directors decides all matters coming under its jurisdiction pursuant to the CBCA, Bombardier’s restated articles of incorporation and by-laws, any applicable legislation, the policies of Bombardier or the mandate of the Board of Directors and the charter of its four Committees. It also acts in accordance with the Code of Ethics. The Board of Directors may assign to one of its four Committees the prior review of any issues for which the Board of Directors is responsible. The recommendations of a Committee remain, however, subject to the approval of the Board of Directors.

Any responsibility which is not delegated to either corporate management or a Committee of the Board of Directors remains with the Board of Directors. In general, all matters or policies and all actions proposed to be taken which are not in the ordinary course of business require the prior approval of the Board of Directors or of one of its four Committees to which approval authority is delegated.

- **Strategic planning** Every year, the President and Chief Executive Officer together with senior executive officers present, during special sessions, the strategic orientation, operating plans and budgets of Bombardier for the review and approval of its Board of Directors. As provided for under its mandate, the duties of the Board of Directors include adopting a strategic plan presented by management and updating it, on at least an annual basis, by taking into account, among other things, the opportunities and risks of the business of Bombardier and the emerging trends. The Board of Directors’ duties also include monitoring the implementation of the strategic plan by management.

The Board of Directors also adopts each year appropriate operating plans and budgets and reviews them on a quarterly basis.

- **Leadership Development and Management Succession Planning** One of Bombardier’s competitive foundations is to have great talent globally. To achieve its strategic objectives, Bombardier’s integrated performance management process (PMP) ensures that employees and management goals, competencies and behaviors are aligned with business strategies while optimizing their learning and development opportunities to become world-class leaders and experts in their field.

The Board of Directors, through the HRCC, ensures that Bombardier has a succession planning process in place for senior executive leaders and pertinent strategies to ensure the organization strengthens its leadership capabilities and overall talent pipeline.

Moreover, in 2020, the succession management process was carried out within each business segment, through organizational design sessions in which leadership reviews were held. These sessions culminated in a detailed and integrated leadership assessment.

In 2021, the succession management process will continue to be reinforced to further support Bombardier’s business strategies, strengthen its talent plans and accelerate its successors’ development to enhance the effectiveness, diversity, skills, knowledge and leadership. Also, we will continue to deploy initiatives, through our new Bombardier Academy of Learning, that includes revamped leadership development resources. These initiatives will contribute to developing our leaders so they can drive Bombardier’s success.

- **Risk Management** Pursuant to its charter, the Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to:
 - risk management matters;
 - financing activities;
 - retirement plan fund management; and
 - environmental matters.

More information on the Audit Committee is provided below in this Section.

- **Human Resources** In accordance with its charter, the HRCC assists the Board of Directors in its oversight responsibilities with respect to succession planning for the position of President and Chief Executive Officer of Bombardier and executives reporting to him with respect to their appointment and with respect to the performance assessment of the President and Chief Executive Officer.

More information on the HRCC is provided below in this Section.

- **Communications policy** The objective of the corporate disclosure policy is to ensure that communications to the investing public about Bombardier are (i) timely, factual and accurate, and (ii) disseminated in a fair and impartial manner in accordance with all applicable legal and regulatory requirements.

Among other matters, the policy outlines how Bombardier should interact with analysts, investors, the media and other people and contains measures intended to ensure compliance with its timely disclosure obligations and avoid making selective disclosure of information. The Audit Committee has the responsibility, under its charter, of monitoring this policy and updating it, when needed.

Each of the Board of Directors and the Audit Committee reviews and, where required, approves Bombardier's annual and quarterly financial statements and related management's discussion and analysis, financing documents and press releases in relation thereto prior to their dissemination and/or filing.

In addition, the Board of Directors is committed to engaging with shareholders and all of Bombardier's stakeholders. There is an internal engagement process to respond to questions and concerns raised by shareholders and other stakeholders pursuant to which all communications from shareholders and other stakeholders are referred to the appropriate executive for response, consideration or action. If and when significant issues are raised, management will in a timely manner advise the Board of Directors of such matters.

Bombardier communicates with its shareholders and other stakeholders, securities analysts and the media regularly on developments in its businesses and results, through its annual and quarterly financial reports and, when needed, reports to shareholders, press releases and material change reports.

In addition, the Corporation holds conference calls intended for investors and financial analysts to review the Corporation's financial results, to which all stakeholders may listen by telephone. A live webcast of each such call and relevant financial charts are also made available at www.bombardier.com, as well as a replay shortly after the end of the webcast. The Corporation also occasionally hosts an Investor Day event featuring updates from executives on Bombardier's progress on its business plan, followed by a Q&A session. For all media, shareholders and other stakeholders, a live webcast and relevant financial charts in support of the event are made available at www.ir.bombardier.com, and as of the following day, a replay of the webcast at the same address. In addition, in 2020, members of the Corporation's management team engaged shareholders and their representatives to better understand their views about Bombardier's governance and practices, which included discussions with major institutional shareholders and investor road shows and conferences.

- **Financial reporting** The Board of Directors has delegated to the Audit Committee the responsibility of monitoring and assessing the quality and integrity of Bombardier's accounting and financial reporting systems, disclosure controls and procedures, internal controls and management information systems. For this purpose, the Audit Committee reviews various presentations made periodically by the Executive Vice President and Chief Financial Officer, the Chief Audit Executive or the independent auditors, Ernst & Young, as the case may be.

More information on the Audit Committee is provided below in this Section.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of Bombardier has three committees.

The charter of each committee provides a position description for its respective Chair. Essentially, the Chair provides leadership to enhance the effectiveness of the committee. The Chair also sets the agenda, ensures that the conduct of meetings provides adequate time for discussion of relevant issues and ensures that the outcome of meetings is reported to the Board of Directors.

- **Audit Committee** It consists of three directors, all of whom are independent. They are also all financially literate as required by NI 52-110.

Diane Giard is the Chair and Martha Finn Brooks and Anthony R. Graham are the other members. Please refer to Section 3 of this Circular for the number of meetings held by the Audit Committee between January 1, 2020 and December 31, 2020 and the attendance records of its members.

Pursuant to its charter (which is available on the website of Bombardier at www.bombardier.com and as Schedule 1 to the Annual Information Form of the Corporation for the financial year ended December 31, 2020, which has been filed with securities regulators at www.sedar.com), the objectives of the Audit Committee are (i) to help the directors meet their responsibilities with respect to accountability; (ii) to assist in maintaining good communication between the directors and the independent auditors of Bombardier, Ernst & Young; (iii) to assist in maintaining the independence of Ernst & Young; (iv) to ensure that an appropriate system of internal accounting and financial controls and appropriate risk management frameworks are maintained in view of the significant risks and exposures facing Bombardier; (v) to maintain the credibility and objectivity of the financial reports of Bombardier; and (vi) to investigate and assess any issue that raises significant concerns with the Audit Committee.

The Audit Committee periodically monitors the adequacy and effectiveness of the disclosure controls and systems of internal control of Bombardier through the reports provided by the Executive Vice President and Chief Financial Officer, the Chief Audit Executive and Ernst & Young, as the case may be.

As a general rule, all meetings of the Audit Committee are attended by the Chairman of the Board of Directors, the President and Chief Executive Officer, the Executive Vice President and Chief Financial Officer, the Vice President Controller and Chief Accounting Officer and the Chief Audit Executive, as well as by the representatives of Ernst & Young. During such meetings, the

Audit Committee also holds private sessions with each of the President and Chief Executive Officer, the Executive Vice President and Chief Financial Officer, the Chief Audit Executive and the independent auditors to discuss various topics of interest.

– **Human Resources and Compensation Committee** It consists of four directors, all of whom are independent.

Vikram Pandit is the Chair of the HRCC and August W. Henningsen, Antony N. Tyler and Douglas R. Oberhelman are the other members. Please refer to Section 3 of this Circular for the number of meetings held by the HRCC between January 1, 2020 and December 31, 2020 and the attendance records of its members.

None of the HRCC members during the financial year ended December 31, 2020 was an active chief executive officer with a publicly-traded entity. The current members each have experience in executive compensation as either (i) a former chief executive officer of a publicly-traded corporation; (ii) a senior executive officer who had executive responsibility for very sizeable businesses; or (iii) a member of a compensation committee of a publicly-traded corporation. Furthermore, all members of the HRCC have experience in human resources having actively supervised human resources departments and assessed performance with respect to human resources and executive compensation policies and practices. The Board of Directors believes that the members of the HRCC collectively have the knowledge, experience and background required to fulfill their mandate.

Pursuant to its charter (which is available on the website of Bombardier at www.bombardier.com), the objectives of the HRCC are to review, report and, where appropriate, submit recommendations to the Board of Directors regarding the succession planning for the position of President and Chief Executive Officer of Bombardier and executives reporting to him. In addition, it is responsible for ensuring that the President and Chief Executive Officer has put in place and is monitoring succession planning systems and policies for senior executive positions. The internal process with respect to leadership development and management succession planning is described hereinabove in this Section.

The HRCC also reviews and recommends to the Board of Directors the appointment of the President and Chief Executive Officer and those executive officers reporting to him.

The HRCC reviews (i) occupational health and safety matters on a quarterly basis; and (ii) a 12-month consolidated Ethics and Compliance activity report on human resources issues and ensures that monitoring is in place regarding social issues such as employment equity, harassment and discrimination.

The HRCC reviews, assesses and approves a total executive compensation policy that takes into account, among other things, (i) base salary; (ii) short-term incentives; (iii) long-term incentives; and (iv) pension, benefits and perquisites, as well as the risks associated therewith. It reviews the design of equity-based compensation incentive plans and makes appropriate recommendations to the Board of Directors for its approval.

The HRCC also assesses the performance of the President and Chief Executive Officer against his objectives set at the beginning of each financial year and in light of such factors deemed appropriate and in the best interests of Bombardier, and submits its recommendations to the Board of Directors.

The HRCC is also responsible for compensation governance and in that respect, it (i) ensures, via the human resources key performance indicators, that appropriate human resource policies, procedures, practices and systems are in place to attract, motivate and retain the qualified personnel required to meet Bombardier's business objective; (ii) reviews all aspects of the executive stock ownership guidelines, including compliance therewith; (iii) reviews the compensation disclosure analysis in Bombardier's management information circulars; (iv) monitors compensation trends and emerging issues; and (v) selects and manages the HRCC's independent compensation consultants, qualifications and fees.

The Chairman of the Board of Directors, the President and Chief Executive Officer and the Senior Vice President, People and Sustainability attend the meetings of the HRCC. They do not have the right to vote on any matter before the HRCC. They do not participate in discussions concerning their own compensation and are required to leave the meetings when appropriate.

Compensation advisors

In February 2011, the HRCC retained Meridian Compensation Partners ("Meridian") to act as its independent advisor. The executive compensation consulting services provided by Meridian during the financial year ended December 31, 2020 include attendance and presentations at HRCC meetings, reviewing and providing advice on compensation related decisions and reporting on compensation trends and practices. The HRCC did not direct Meridian to perform its services in any particular manner. Ultimately, the decisions are taken by the HRCC and may reflect factors and considerations other than information and recommendations provided by Meridian.

During the financial year ended December 31, 2020, Meridian did not provide any other services to Bombardier or to any of its directors or members of management and the HRCC is satisfied with the independence of Meridian.

In addition, as part of the Corporation's regular practice, management sought the services of management's consultant, Mercer (Canada) Limited ("Mercer"), for ad hoc requests relating to the Corporation's compensation programs, policies and practices. However, Mercer has not been retained to assist the Board of Directors or the HRCC in determining compensation for any of the Corporation's directors or executive officers.

The table below summarizes the fees paid to Meridian, the independent compensation advisor retained in 2020 to assist the Board of Directors or the HRCC in determining compensation for directors or executive officers, for services provided during each of the financial years ended on December 31, 2020 and December 31, 2019.

| Mandates and Fees | Financial Year Ended December 31, 2020 (\$) | Financial Year Ended December 31, 2019 (\$) |
|-------------------------------------|---|---|
| | Meridian | |
| Executive Compensation Related Fees | 33,400 ⁽¹⁾ | 33,800 ⁽¹⁾ |
| All Other Fees | — | — |
| Total Fees | 33,400 ⁽¹⁾ | 33,800 ⁽¹⁾ |

(1) Fees were converted from Canadian dollars to US dollars based on an average exchange rate of 0.7461 during the year ended December 31, 2020 and on an average exchange rate of 0.7537 during the year ended December 31, 2019.

– **Corporate Governance and Nominating Committee** It consists of five directors, all of whom are independent.

Douglas R. Oberhelman is the Chair of the CGNC and Diane Giard, Anthony R. Graham, Vikram Pandit and Antony N. Tyler are the other members. Please refer to Section 3 of this Circular for the number of meetings held by the CGNC between January 1, 2020 and December 31, 2020 and the attendance records of its members.

The charter of the CGNC (which is available on the website of Bombardier at www.bombardier.com) provides that it has the responsibility to monitor the selection criteria for candidates as directors and the credentials of nominees for election or re-election as directors, the composition of the Board of Directors and its committees as well as their performance and the remuneration of the non-executive directors.

The CGNC also oversees the evolution of Bombardier's corporate governance practices and policies, including the Code of Ethics, to ensure that Bombardier continues to comply with high standards of corporate governance and conducts every year an evaluation of the performance and effectiveness of the Board of Directors and its Committees.

The Chairman of the Board of Directors and the President and Chief Executive Officer attend the meetings of the CGNC. They do not have the right to vote on any matter before the CGNC.

– **Finance and Risk Management Committee** It consisted of four directors, all of whom were independent. The FRMC was disbanded at the Board of Directors meeting of the Corporation held on June 18, 2020 and the roles and responsibilities of the FRMC were consolidated with those of the Audit Committee. The FRMC held two meetings in 2020, the first on February 11, 2020 and the second, being a joint meeting with the Audit Committee on May 6, 2020.

Martha Finn Brooks and August W. Henningsen were the Co-Chairs of the FRMC and Antony N. Tyler and Beatrice Weder di Mauro were the other members. Please refer to Section 3 of this Circular for the number of meetings held by the FRMC between January 1, 2020 and December 31, 2020 and the attendance records of its members.

– **Strategic Initiatives Working Group (the "Working Group")** It currently consists of five directors, a majority of whom are independent.

Vikram Pandit is the Chair of the Working Group and Pierre Beaudoin, Diane Giard, Éric Martel and Douglas R. Oberhelman are the other members.

As previously announced, consistent with its five-year transformation plan, and following a comprehensive review of strategic alternatives, the Corporation had been actively pursuing options to strengthen its balance sheet and enhance shareholder value. In connection with such process, the Board of Directors constituted a working group in February of 2019, composed of a majority of independent directors to assist management with the exploration and assessment of certain strategic options and alternatives for the Corporation, and to report its findings and make recommendations to the Board of Directors. Since its constitution in February 2019, the Working Group held more than 20 meetings in 2019 and 17 in 2020. With the Transportation Transaction (as defined herein) having been completed, the Working Group will continue to assist management with its transformation plan.

LEADERSHIP STRUCTURE

The Corporation determines the most suitable leadership structure from time to time. At present, the Board of Directors has chosen to separate the roles of President and Chief Executive Officer and Chairman of the Board of Directors. Maintaining separate positions for the Chairman of the Board of Directors and the President and Chief Executive Officer allows the Board of Directors to be more efficient in overseeing the Corporation's business and holding management accountable for the Corporation's activities.

Furthermore, the Board of Directors appointed an independent Lead Director, considering that the Chairman of the Board of Directors, Pierre Beaudoin, is not an independent director. The Lead Director, Vikram Pandit, chairs the meetings of the independent directors of Bombardier as further explained below.

MEETINGS OF THE INDEPENDENT DIRECTORS

A formal structure enables the Board of Directors to function independently of the management of Bombardier.

After each meeting of the Board of Directors, the directors who are not part of corporate management and/or the majority shareholder, namely the Bombardier family, consider whether to meet privately under the chairmanship of Vikram Pandit, in his capacity of Lead Director. The Lead Director transmits to the Chairman of the Board of Directors, Pierre Beaudoin, and/or the President and Chief Executive Officer, as the case may be, any comments, questions or suggestions raised during such meetings.

Between January 1, 2020 and December 31, 2020, the independent directors held a private meeting after 12 of the 21 meetings held during the year, including one after each of the regularly scheduled quarterly meetings of the Board of Directors and the December meeting .

MANDATES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS, THE CHAIR OF EACH COMMITTEE AND THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

The Board of Directors adopted formal mandates which set out specific responsibilities for each of the Chairman of the Board of Directors, the Chair of each committee and the President and Chief Executive Officer, as follows:

– **Mandate of the Chairman of the Board of Directors**

As Chairman of the Board of Directors, Pierre Beaudoin is responsible for ensuring that the Board of Directors carries out its responsibilities effectively and clearly, notably in supervising the management of Bombardier's business and affairs, in accordance with the mandate of the Board of Directors reproduced at "Exhibit "A" to this Circular. His specific responsibilities include, among other things:

- managing the Board of Directors and setting the agenda in consultation with the President and Chief Executive Officer;
- providing leadership to enhance Board of Directors effectiveness and ensuring that the Board of Directors works as a cohesive team;
- representing Bombardier in certain customer relations and conferences; and
- working with the CGNC to ensure Board of Directors quality and continuity by:
 - reviewing the performance of the Board of Directors, its committees and individual directors;
 - making sure the skills and competencies of individual directors are incremental to the Board of Directors as a whole; and
 - ensuring that the Board of Directors develops clear position descriptions for the Chairman and the chair of each Board of Directors' committee.

– **The mandate and responsibilities of the Chair of each committee are set out in the charter of each committee.**

– **Mandate of the President and Chief Executive Officer**

The President and Chief Executive Officer is responsible for the management and execution of Bombardier's strategic and operating plans. His specific responsibilities include, among other things:

- executing the Board of Directors' resolutions and policies;
- providing long-term strategic orientation in the form of a strategic plan and a business plan;
- managing Bombardier's commercial and internal affairs by:
 - assuming responsibility for capital management and financial management;
 - implementing decisions with respect to acquisitions, divestitures, financings and similar activities, subject to prior approval of the Board of Directors;
 - ensuring that Bombardier has effective disclosure controls and procedures and internal controls in place; and
 - identifying, assessing and managing the risks involved in the course of business; and
- representing Bombardier to external groups.

The corporate objectives which the President and Chief Executive Officer is responsible for meeting are determined pursuant to the operating plans and budgets approved each year by the Board of Directors; he is assessed against the achievement of the operating plans and the budgets and he may also be assessed, in part, in relation to specific objectives that have been fixed for him by the Board of Directors upon the recommendation of the HRCC.

At each regular meeting of the Board of Directors, a private session is held involving only the President and Chief Executive Officer and the directors in order to allow them to review and discuss various topics of interest according to the then prevailing circumstances.

RECRUITMENT AND ELECTION OF DIRECTORS

The CGNC, composed of five independent members, has the responsibility of (i) annually reviewing the credentials of nominees for election or re-election as directors, (ii) monitoring the size and composition of the Board of Directors and its committees to ensure an effective decision-making process and (iii) submitting its recommendations to the Board of Directors. The CGNC and the Board of Directors are of the view that its size and composition as well as the mix of talents, quality and skills are well suited to Bombardier's current circumstances and needs in the context of its transformation journey to a pure-play business jet company and allow for its efficient functioning as a decision-making body and promote sound governance.

In consultation with the Chairman of the Board of Directors, Pierre Beaudoin, the CGNC determines appropriate selection criteria, including any additional skill sets deemed to be beneficial, when considering Board of Directors candidates, by taking into account Bombardier's current circumstances and needs, whenever new directors have to be recruited.

Taking a strategic approach in connection with the Board of Directors succession process, the members of the CGNC focus their attention on (i) better assessing the functional expertise, experience, skills and backgrounds of the current directors in light of the needs of the Board of Directors and the Corporation, including the extent to which the current composition of the Board of Directors reflects a diverse mix of knowledge, experience, skills and backgrounds, including women representation on the Board of Directors, (ii) determining and anticipating the future needs of the Board of Directors based on the evolution of the business of the Corporation and its external environment; and (iii) identifying the most suitable candidates in order to be in a position to fill an opening on the Board of Directors, given the then prevailing and projected circumstances for the Corporation.

Pierre Beaudoin, in cooperation with the members of the CGNC, identifies potential candidates as directors. The members of the CGNC examine such candidacies and make appropriate recommendations to the Board of Directors. Prior to agreeing to join the Board of Directors, a candidate is fully informed of the workload and time commitment requirements.

MAJORITY VOTING POLICY WITH RESPECT TO THE ELECTION OF DIRECTORS

Bombardier has a majority voting policy with respect to the election of its directors. It stipulates that if the votes in favour of the election of a director nominee at a shareholders' meeting represent less than a majority of the votes cast in favour of such election and withheld, the nominee would, as a result, submit their resignation promptly after the meeting, for the CGNC's consideration. The CGNC would then make a recommendation to the Board of Directors after reviewing the matter, and the Board of Directors' decision to accept or reject the resignation offer would be disclosed to the public through a press release. The nominee would not participate in any committee or Board of Directors deliberations on the resignation offer. The policy would not however apply in circumstances involving contested director elections.

DIVERSITY POLICY

In satisfying the Corporation's commitment to selecting the best persons to propose to shareholders as candidates for the Corporation's Board of Directors and to designate as members of management of the Corporation, the Board of Directors believes that diversity is important to ensure that the profiles of directors and members of management provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The Corporation is committed to a merit based system for Board of Directors and management composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination.

Accordingly, Bombardier has adopted a diversity policy which outlines its approach to achieving and maintaining diversity on its Board of Directors and in executive officer and management positions, and in addition to gender and other designated minority groups (being Aboriginal peoples, members of visible minorities and persons with disabilities), the Corporation will continue to strive for the appropriate balance of skills, experience, independence and knowledge of Bombardier and the industry as a whole as well as alignment with the Corporation's strategy in the context of its current transformation journey to a pure-play business jet company. This includes requirements for the Board of Directors to establish measurable objectives for achieving diversity on the Board of Directors and in executive officer and management positions, and for the appropriate Board of Directors committees to monitor the implementation of the policy, assess the effectiveness of the Board of Directors nomination process and the appointment process for executive officer and management positions at achieving the objectives of the policy and to measure the Corporation's annual and cumulative progress made in achieving the diversity goals and gender diversity targets.

On September 29, 2020, the President and Chief Executive Officer of Bombardier signed the BlackNorth Pledge as part of Bombardier's commitment to fight anti-Black racism in Canada which commitments include: (i) an increase of efforts to make the workplace a trusting place to have complex, and sometimes difficult, conversations about anti-Black systemic racism and ensure that no barriers exist to prevent Black employees from advancing within the organization, (ii) implementing or expanding unconscious bias and anti-racism education, (iii) sharing best practices —as well as those that were unsuccessful— to help evolve and enhance current diversity strategies, (iv) establishment of at least one diversity leadership council which will work with the President and Chief Executive Officer to create and share strategic inclusion and diversity action plans with the Board of Directors, (v) use of resources to work with members of the Black community, including committing to specific hiring goals of at least 5% within the student workforce from the Black community by 2025 and invest at least 3% of corporate donations and sponsorships to create and invest in economic opportunities for the Black community by 2025, (vi) engaging Canada's corporate governance framework to help ensure that, at a minimum, 3.5% of all executive and board roles based in Canada be held by Black leaders by 2025, and (vii) creating conditions for success by collecting data on race and ethnicity to understand where there are gaps and when and where there is progress.

The CGNC and HRCC are responsible for monitoring the implementation and effectiveness of the diversity policy. As such, these committees assess on a periodic basis, (i) the mix of diversity, talents, quality and skills on the Board of Directors and in executive officer and management positions; and (ii) progress made on diversity, including with regard to the achievement of measurable objectives and targets set pursuant to the diversity policy. The CGNC and HRCC then report their findings to the Board of Directors.

Bombardier is a global company present in 13 countries, representing 98 nationalities and 6 languages. Wherever it operates, and across every part of its business, it strives to create a diverse and inclusive culture, reflecting a diversity of competencies, genders, ages, personal qualities, geographical representation, business and cultural background, experience and overall expertise. As at December 31, 2020, Bombardier had 51,100 employees, including 35,100 in its Transportation division, now owned by Alstom. Pursuant to its diversity policy, as originally implemented in 2015 (and amended in 2020), Bombardier aspires to (i) maintain a Board of Directors composition in which women comprise at least 30% of all directors, and (ii) attain, and thereafter maintain, at least 25% of management positions held by women, as relevant positions become vacant and appropriately-skilled candidates are available in the context of the Corporation's continued transformation efforts.

As at December 31, 2020, the target set for women directors had been achieved as women comprised 33.33% of all directors of the Corporation. The percentage representing the number of women on the Board of Directors is expected to remain at 33.33% at the close of the Meeting (assuming the election of the 12 proposed nominees at the Meeting), thus maintaining the achievement of the diversity policy's target for women directors, the whole as set out in the following table:

| Category | Objective Percentage | Financial Year Ended December 31, 2020 | | Financial Year Ended December 31, 2019 | |
|---|----------------------|--|-----------------------|--|------------|
| | | Number | Percentage | Number | Percentage |
| Number of women in management positions | 25% | 523/2,743 | 19.1% | 579/3,075 | 18.8% |
| Number of women on the Board of Directors | 30% | 4/12 | 33.33% ⁽¹⁾ | 5/14 | 35.7% |

(1) Assuming the election of the 12 proposed nominees at the Meeting, women will comprise 33.33% of all directors at the close of the Meeting.

As at December 31, 2020, one of the executive officers of the Corporation self-identified as a woman or member of another designated minority group, while four members of the Board of Directors self-identified as women and one member of the Board of Directors self-identified as a visible minority.

The achievement of the specific targets is influenced by a number of factors, such as the frequency at which relevant positions become vacant and the availability of appropriately-skilled candidates, in light of Bombardier's changing circumstances and strategic needs in the context of its current transformation journey to a pure-play business jet company.

The Corporation believes promotion of diversity is best served through careful consideration of all of the knowledge, experience, skills and backgrounds of each individual candidate for Board of Directors or the executive officers and other management positions in light of the changing needs of the Board of Directors and the Corporation as well as alignment with the Corporation's strategy in the context of its current transformation journey to a pure-play business jet company, without focusing on specific diversity characteristics and, accordingly, has not adopted specific diversity targets beyond gender in Board of Directors and management positions.

The HRCC believes, for the time being, that specific targets beyond gender are not suitable in the current operational and structural transformation phase of the Corporation, where Bombardier's first priority and core focus is to drive the solid execution of its transformation plan. In particular, in light of the current context of the Corporation's transformation to a pure-play business jet company and recent restructuring initiatives, economic uncertainty and significant challenges related to the COVID-19 pandemic, the Corporation looks first to individuals within the Corporation and its subsidiaries in making decisions on appointments and promotions.

The CGNC and HRCC will continue to monitor the application of the policy, with a view to achieving, or to continue to satisfy, as applicable, the objectives of the policy, and may revisit the suitability of adopting specific diversity targets beyond gender in Board of Directors or executive officer positions to incorporate broader standards of diversity once its transformation journey to a pure-play business jet company will be complete.

When assessing the composition of the Board of Directors or identifying suitable candidates for appointment or re-election to the Board of Directors, the CGNC, composed entirely of independent directors, considers candidates on merit against objective criteria having due regard to the benefit of diversity and the needs of the Board of Directors. In consultation with the Chairman of the Board of Directors, the CGNC develops, reviews and monitors appropriate selection criteria for Board of Directors membership that strive to attain a diversity of competencies, gender, personal qualities, geographical representation, business background, cultural background, diversified experience, overall expertise, financial competency and independence, taking into account Bombardier's changing circumstances and strategic needs in its current transformation journey.

In the process of searching for qualified Board of Directors candidates, the CGNC strives for the inclusion of diverse groups, knowledge, and viewpoints. To accomplish this, the CGNC seeks qualified Board of Directors candidates from beyond the networks of existing Board members and may retain an executive search firm to help meet the Board of Directors' diversity objectives. In particular, the CGNC:

- will seek to include diverse candidates in any director search by taking into account that qualified candidates may be found in a broad array of organizations, including government, academic institutions, privately held businesses, non-profit organizations, trade associations and professions such as accounting and law, in addition to the traditional corporate environment;

- considers diversity criteria and potential candidates from a variety of cultural and geographic backgrounds, among other relevant criteria, when determining the optimum composition and balance for the Board of Directors;
- periodically reviews Board of Directors recruitment and selection criteria to ensure that diversity remains a component of any search; and
- in order to support the specific objective of diversity, considers the level of representation of women and members of other minority groups for Board of Directors positions when nominating candidates for election or re-election to the Board of Directors.

The CGNC and the Board of Directors are of the view that its size and composition as well as the mix of talents, quality and skills, assuming the election of the proposed nominees at the Meeting, are well suited to Bombardier's changing circumstances and strategic needs in the context of its current transformation journey and allow for its efficient functioning as a decision-making body and promote sound governance in a manner that serves its changing business and strategic needs in support of continued transformation efforts.

The HRCC, composed entirely of independent directors, has the mandate to oversee the succession planning for the President and Chief Executive Officer and a number of selected senior executive positions, with the appointment and promotion of other members of management being delegated to management. In compliance with the Corporation's diversity policy, in fulfilling such role, the HRCC and, where applicable, management:

- considers candidates that are qualified based on their experience, education, expertise, personal qualities and general and sector-specific knowledge;
- makes decisions on appointments and promotions on the basis of performance, skill and merit;
- periodically reviews recruitment and selection criteria to ensure that diversity remains a component of any executive officer search;
- reviews potential candidates from a variety of cultural and geographic backgrounds and perspectives, with the Corporation's diversity objectives in mind including, without limiting the generality of the foregoing, the specific objective of increasing diversity; and
- considers the level of representation of women and members of other designated minority groups in senior management when making executive officer and management appointments.

The Corporation's commitment to diversity is further reflected in the Code of Ethics pursuant to which Bombardier shall offer equal employment opportunities without regard to any distinctions based on age, gender, sexual orientation, disability, race, religion, citizenship, marital status, family situation, country of origin or other factors, in accordance with the laws and regulations of each country where it does business.

Moreover, the Corporation embraces the role of women in society, and promotes gender diversity. Bombardier is a member of diversity associations within the aviation sector, including Women in Aviation International, International Aviation Women's Association, and offers different scholarships to support the development of women in aviation. It also participates in conferences and work sessions to lead the conversation on practical ways for women to drive their careers forward.

RETIREMENT AGE POLICY/TERM LIMITS FOR DIRECTORS

The Board of Directors does not limit the time a director can serve. While term limits can help ensure the Board of Directors gains a fresh perspective, imposing such a restriction would deprive the Board of Directors from the contributions of longer serving directors who have developed a deeper knowledge and understanding of Bombardier over time. The Board of Directors does not believe that long tenure impairs a director's ability to act independently of management.

Under the retirement age policy for the directors of the Corporation, any director who turns 72 years of age prior to the next annual shareholders meeting has to submit their resignation by the February Board of Directors meeting of the same year to the Chairman of the Board of Directors, Pierre Beaudoin, and the members of the CGNC. They then evaluate whether to accept this resignation depending on the needs of the Board of Directors and circumstances of Bombardier at that time. If the resignation is not accepted, each subsequent year, it will again be evaluated. If accepted, however, the resignation will become effective at the close of the annual meeting of shareholders.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The CGNC has the responsibility to review periodically the compensation of the directors, in light of both market conditions and practices as well as their risks and responsibilities. It reviews the types of compensation and the amounts paid to directors of publicly-traded companies in Canada and the United States that have international operations comparable in size and complexity to Bombardier, and makes appropriate recommendations to the Board of Directors. Any such review covers the directors (excluding however those who are executives of the Corporation) as well as the committee members and Chairs.

The CGNC also reviews periodically director share ownership guidelines.

The compensation received by the directors between January 1, 2020 and December 31, 2020 is disclosed in Section 3 of this Circular.

As explained in this Section of the Circular, the HRCC is responsible for reviewing, assessing and approving a total executive compensation policy and reviewing the design of equity-based plans. The compensation received by the NEOs between January 1, 2020 and December 31, 2020 is disclosed in Section 5 of this Circular.

ASSESSMENT OF THE DIRECTORS

Each year, the members of the CGNC conduct an evaluation of the performance and effectiveness of the Board of Directors and its Committees. Each director is asked to complete a detailed questionnaire submitted by the Senior Vice President, General Counsel and Corporate Secretary to assess the performance of (i) the Board of Directors and (ii) as the case may be, each committee on which they sit. In addition, the Senior Vice President, General Counsel and Corporate Secretary interviews each director in order to obtain their comments or recommendations about the performance of (i) the Board of Directors or (ii) as the case may be, each committee on which they sit. A summary of the results of each evaluation is submitted to the review of the CGNC and the Chairman of the Board of Directors.

Independent directors also meet periodically with both the Chairman of the Board of Directors and the Chairman of the CGNC to discuss their respective performance and any matter or issue they wish.

The CGNC periodically assesses, with the Chairman of the Board of Directors, the operation and strategic direction of the Board of Directors and its committees, their respective size, composition and structure, the performance of the directors both as a group as well as individually, the adequacy of information given to the directors, the communication between the Board of Directors and management and the processes related to the Board of Directors and its committees. The CGNC presents its findings and conclusions to the Board of Directors. The directors and members of each committee also receive a summary of the results of their respective evaluations for their review.

The annual assessment of the performance of the Board of Directors and its four committees also provides an opportunity to periodically review, and if deemed appropriate, revise their respective mandates.

ORIENTATION AND CONTINUING EDUCATION PROGRAMS

- **Orientation programs for new directors** Bombardier has an orientation program for new directors, which enables them to participate in an initial information session on the Corporation in the presence of some of its executives to learn about, among other matters, its business, financial situation and strategic planning.

In addition, new directors are furnished with appropriate documentation, including a director's manual, providing them with information about, among other matters, the corporate governance practices of Bombardier, the structure of the Board of Directors and its committees, its history, its current commercial activities, its corporate organization, the charters of the Board of Directors and its committees setting forth their respective roles and responsibilities, Bombardier's restated articles of incorporation and by-laws, the Code of Ethics and relevant corporate policies.

The meetings in which new directors participate (including the annual sessions for the review of the strategic orientation, operating plans and budgets) as well as discussions with other directors and with Bombardier's executives also permit new directors to familiarize themselves rapidly with Bombardier's operations.

- **Continuing education program for directors** Bombardier encourages its directors to pursue continuing education activities which could provide them with information as to the best practices associated with boards and committees and as to emerging trends that may be relevant to their role as directors.

In addition, Bombardier's corporate management periodically makes presentations to the directors on various topics, trends and issues related to Bombardier's activities during the meetings of the Board of Directors or its committees, as the case may be, which helps the directors to constantly improve their knowledge about Bombardier and its businesses.

Visits of Bombardier's various facilities are also arranged, from time to time, for the Board of Directors, and individual visits may also be done upon request.

CONFLICT OF INTEREST

In order to allow the directors and executives to exercise independent judgment in considering a particular transaction or agreement in which a director or an executive has a material interest, the following principles apply: (i) the director or the executive is required to inform their colleagues of any potential conflict of interest they may have in connection with a particular transaction or agreement before it is brought to the attention of their colleagues for discussion and/or decision; and (ii) they will then be required, depending on the transaction or agreement under consideration, to either leave the meeting while their colleagues review the matter at hand or while remaining present during the meeting, refrain from participating in any manner in the discussion involving their colleagues or the decision that they make.

ETHICAL BUSINESS CONDUCT

- The Code of Ethics addresses ethical conduct in Bombardier's work environment, business practices and relationships with external stakeholders. The principles set out in the Code of Ethics reflect Bombardier's belief that honesty and integrity foster a positive work environment that strengthens the confidence of all stakeholders.
- The Code of Ethics is reviewed periodically and was most recently updated in 2019 to reflect the evolution of laws, regulations and social context.
- The Code of Ethics applies at all times, without exception, to all the directors and to all of Bombardier's employees and managers. Bombardier's suppliers and partners, as well as third parties (such as agents), are also expected to adhere to the Code of Ethics when dealing with or acting on behalf of Bombardier.

- The Code of Ethics explains the standards of behavior expected from everyone to whom it applies in their daily activities and in dealings with others, including how to deal with conflicts of interests. It does not foresee every situation that might arise. Rather, it identifies guiding principles to help one make decisions consistent with Bombardier's values and reputation.
- The Code of Ethics outlines the key responsibilities of leaders within Bombardier which are to provide a model of high standards of ethical conduct and to create a work environment reflecting both the content and the spirit of the Code of Ethics. Selected members of management are required to take part in a mandatory Code of Ethics compliance certification process. The certification process is designed to provide management with additional assurance on public disclosures and required corporate officer certifications; this process also (i) helps integrate the Code of Ethics into Bombardier's governance system; (ii) ensures that the Code of Ethics is a top priority within the leadership team; and (iii) promotes integrity as a core value.
- The Corporation has implemented strong compliance processes and a comprehensive training program to guide its employees in connection with their decision-making. Each of these tools is reviewed and updated on a continuous basis, the details of which can be found in the Activity Report which is available at ir.bombardier.com.
- Consistent with its commitment and strategic approach to corporate responsibility, Bombardier has deployed a Supplier Code of Conduct. This Code essentially promotes adherence by suppliers to the 10 principles in the area of human rights, labor standards, environment and anti-corruption of the United Nations Global Compact to which Bombardier is a signatory.
- The Chief Ethics and Compliance Officer oversees corporate efforts to promote an ethical work environment and business practices and ensures full adherence to applicable laws and regulations and strict compliance with the Code of Ethics. He reports to the Audit Committee on a quarterly basis.
- In addition, EthicsPoint, a free, independent and confidential reporting system, is available through a website and call centre services offered in multiple languages, 7 days a week, anywhere around the world.
- The Code of Ethics is translated in 16 languages. In addition to being available on the SEDAR website at www.sedar.com, it may also be consulted on the website of Bombardier at www.bombardier.com in each of the 16 languages.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") CONSIDERATIONS

Approach to Sustainability

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

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

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

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

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

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

Product Innovation

Bombardier's procedures and operations are also reflective of its commitment to ESG factors. Indeed, environmental sustainability constitutes a fundamental guiding principle of product innovation for both Aviation and Transportation. In 2020, the Corporation continued to actively integrate sustainability into its design and operations through several actions including:

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

On June 30, 2020, Aviation and the International EPD® System, an environmental declaration program operator based in Sweden, announced the publication of the Environmental Product Declaration (EPD) for Bombardier's Global 7500 aircraft jet. The International EPD® System is a program for voluntary and transparent communication of the life cycle environmental impact of goods and services. The Global 7500 aircraft EPD is third-party verified to the highest international ISO standards. It discloses fully transparent environmental information about the product's life cycle, such as CO₂ emissions, noise, water consumption and other key environmental impact indicators. The publication of the Global 7500 aircraft EPD is an important milestone in the advancement of Aviation's overarching environmental sustainability strategy, which encompasses increasing the adoption of Sustainable Aviation Fuels (SAF), reducing CO₂ footprint, enhancing aircraft recyclability, and sustainably sourcing, all as a part of its eco-design approach and in support of industry-wide carbon reduction goals. The Bombardier eco-design team applied its product innovation life cycle process throughout the development of the Global 7500 aircraft to minimize the jet's impact on the environment, from the design and manufacture of the aircraft to end-of-life.

Health, Safety and Environmental Management

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

The Corporation is currently certified according to the new ISO 45001 Occupational Health and Safety management systems for all of its eligible locations. ISO 45001 proposes a proactive approach towards risk control and leadership involvement in health and safety management.

In the context of the COVID-19 pandemic, the Corporation has put in place measures to protect the health and safety of its employees from COVID-19 in its sites and deployed a new and proactive strategy to prevent, reduce and contain transmission of the virus within its facilities. One of these important measures was the establishment of the innovative concept of work "bubbles", a concept recognized by public health authorities and the medical community, and established in collaboration with the unions. This new way of working has enabled Bombardier to:

- prevent the spread of COVID-19 between employees in the workplace without having to interrupt its activities;
- develop a preventive approach to tracing employee contacts, coupled with a contact isolation mechanism as soon as the diagnosis is made;
- help public health authorities to increase the efficiency of monitoring and traceability; and
- strengthen employee confidence in a workplace where health and safety are priorities.

To prevent pollution, improve performance, and minimize environmental risks, the Corporation follows the ISO 14001:2015 Standard in each of its manufacturing and services locations. To date, the Corporation's eligible locations are certified by external parties according to the ISO 14001:2015 Standard for Environmental Management.

As part of a triennial process, the external auditors of the Corporation conduct an HSE Legal Compliance Audit program at eligible sites to ascertain compliance of the Corporation's manufacturing and services activities to all applicable HSE laws and regulations and other specific requirements. These audits also provide opportunities to identify and highlight best practices, which may then be leveraged at a larger scale. These reviews help the Corporation to continuously improve its HSE performance. The Corporation also regularly conducts benchmarks against global peers, which include reviews of its HSE reporting and value creation approaches. In addition, the HRCC reviews occupational health and safety matters on a quarterly basis. The Corporation strives for the continuous reduction of the detrimental impacts of its operations on the environment. Namely, the Corporation established objectives and targets to reduce the environmental footprint of its services and manufacturing facilities, based on a five-year cycle and reports on its progress every year. Results for 2020 will appear in the Corporation's upcoming annual Activity Report. Bombardier is now actively defining the

environmental objectives for the next five-year cycle which started in 2021. The main focus will be on further reducing the Corporation's environmental footprint, using resources more efficiently, as well as driving greater efficiencies in its business.

Governance

The Corporation actively engages with its suppliers to improve efficiency, quality and sustainability practices. First, the Corporation's Code of Ethics and its underlying policies address ethical conduct in Bombardier's work environment, business practices and relationships with external stakeholders, including suppliers. Second, suppliers that sign a contract with Bombardier are required to adhere to the Corporation's Supplier Code of Conduct. This practice, together with Bombardier's Code of Ethics and its Human Rights Statement, formalizes the Corporation's commitment to integrate ESG considerations at a global level and clearly indicates its expectations regarding these components to all its business partners.

Ensuring strict compliance and reinforcing strong ethical conduct remains a constant priority for the Corporation. The Corporation's governance and reporting structure on ethics and compliance is under the oversight of the Corporate General Counsel Office, reporting to the Board of Directors on such matters on at least a quarterly basis. Several key initiatives have been implemented over the last few years. Following a rigorous approach to ethics and compliance, the Corporation continued to strengthen the prevention, detection and response components, of its compliance program. In 2020, the Corporation further sharpened its compliance policy framework and launched new Export Control and Third Party Due Diligence policies. It also increased its reach by strengthening its international Ethics and Compliance Ambassadors Network, including appointing additional regional Compliance officers. The Corporation has invested continuous efforts to establish a strong tone at all levels to encourage and foster a solid compliance culture across the organization. Furthermore, the Corporation continued to provide multiple trainings on ethics-related topics such as gifts and entertainment, export control and data privacy and maintained regular communications to employees.

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

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

In May 2020, the Corporation published its annual Activity Report, which provides an update on its sustainability strategy, as well as its ESG and economic performance. The Corporation's most recent Activity Report can be found here: www.bombardier.com/en/sustainability.html.

SECTION 5 : REMUNERATION OF THE EXECUTIVE OFFICERS OF BOMBARDIER

EXECUTIVE SUMMARY

EXECUTIVE COMPENSATION PHILOSOPHY AND PRINCIPLES

One of the most important responsibilities of the HRCC is to ensure that Bombardier attracts, retains and appropriately incentivizes current and prospective members of the leadership team. The Corporation's executive compensation program plays a key role in meeting this responsibility. In setting the Corporation's compensation structure and levels, the Corporation is guided by a number of fundamental principles, including:

- **Recognizing that Bombardier competes for the best executive talent globally.** Competition in the Corporation's aerospace business and its former rail business is fierce and the playing field is rarely level. To succeed, Bombardier needs proactive and disciplined leaders who are capable of recognizing and responding to rapidly changing market conditions while engaging a global workforce to drive continuous improvement. This is a unique skill set and the pool of qualified candidates is limited, which means Bombardier competes for the best executive leadership talent globally.
- **Market-based compensation is critical to attracting and retaining the best leaders around the globe.** To succeed in a complex and highly competitive environment, the Corporation's compensation packages must be market-based. To ensure this goal is achieved, the HRCC, with the assistance of independent compensation advisors, conducts extensive benchmarking against other global companies of comparable size and complexity. These benchmarking practices, which are described in detail below, are designed to ensure that total executive compensation is in-line with that of the Corporation's competitors in relevant and comparable markets.
- **Executive pay is aligned with performance that creates shareholder value.** The majority of Bombardier's executive compensation – over 75% in the case of the Corporation's most senior executives - is not guaranteed. Rather, it is linked to Bombardier achieving pre-established targets. These targets, described in detail below, are closely aligned with the Corporation's strategic plan and the creation of long-term shareholder value. This incentive-based compensation structure reflects industry best-practices for comparable companies and situations, and is designed to motivate executives to achieve and surpass key performance goals, which in turn are expected to drive shareholder value over the long term.

The following Compensation Discussion and Analysis will explain how these principles were taken into account in setting the 2020 executive compensation at Bombardier.

KEY 2020 ACHIEVEMENTS

In 2020, the Corporation delivered financial performance that partially met the consolidated targets while the leadership team continued to drive initiatives to transition the Corporation to a pure-play business jet company as the Corporation navigated the economic uncertainty and significant challenges related to the COVID-19 pandemic. Some of the notable achievements include:

TRANSITION TO A PURE-PLAY BUSINESS JET COMPANY

- **Concluded the sale of the remaining interests in Airbus Canada Limited Partnership (ACLP)** to Airbus SE (Airbus) and Investissement Québec (IQ), for proceeds of \$591 million from Airbus, net of adjustments, and the Corporation's release from all future funding obligations related to the partnership. The Corporation also transferred aerostructures activities supporting the A220 and A330 in St-Laurent, Québec to Airbus subsidiary Stelia Aerospace.
- **Completed the sale of the CRJ Series aircraft program** to Mitsubishi Heavy Industries, Ltd (MHI) for a cash consideration of approximately \$574 million, subject to post-closing adjustments and the assumption of liabilities by MHI related to credit and residual value guarantees and lease subsidies amounting to approximately \$200 million.
- **Completed the sale of aerostructures activities and aftermarket services operations** in Belfast, U.K.; Casablanca, Morocco; and its aerostructures maintenance, repair and overhaul (MRO) facility in Dallas, U.S. to Spirit AeroSystems Holding, Inc for cash consideration of \$257 million, Spirit's assumption of liabilities, including government refundable advances, pension obligations, as well as certain adjustments to the parties' trading agreements favourable to Bombardier.
- **Entered into a memorandum of understanding ("MOU") (February 2020) and subsequently a definitive Sale and Purchase Agreement (September 2020)**, with Alstom SA ("Alstom") and the Caisse de dépôt et placement du Québec ("la Caisse") for the sale of the Corporation's Transportation business to Alstom.

LIQUIDITY MANAGEMENT

- **Closed the year with cash on hand⁽¹⁾ of \$2.450 billion and liquidity of \$3.203 billion** as the Corporation navigated the COVID-19 pandemic.
- **Secured a three-year \$1.0 billion senior secured term loan facility** with HPS Investment Partners, LLC, acting as administrative agent, collateral agent and the lead lender for a group that included investment funds and accounts managed by HPS Investment Partners, LLC and Apollo Capital Management, L.P., or their respective affiliates, and funds managed by Ares Management LLC.

AVIATION

- **Entry-into-service** of the innovative, long-range Global 5500 business jet.
- **Advanced aftermarket growth strategy**, with the expansion of the service network in Melbourne, Australia and Berlin, Germany following the completion of the acquisition of all the issued and outstanding shares of the aircraft service centre in Berlin from Lufthansa Technik AG and ExecuJet Aviation Group AG, thereby allowing the Corporation to establish a wholly-owned service centre in Berlin and further expand its worldwide customer support footprint.

TRANSPORTATION

- Grew Transportation's backlog with \$3.1 billion in new orders and backlog reached \$36.6 billion at the end of 2020.

PERFORMANCE MEASURES

The HRCC, which is composed entirely of independent directors, selected Adjusted EBIT⁽²⁾ and FCF⁽³⁾ as performance measures for the short-term incentive plan because these measures are critical to completing the Corporation's transition to a pure-play business jet company and meeting its strategic plan.

The boxes below explain why the HRCC believes Adjusted EBIT and FCF are the most appropriate performance measures for Bombardier's short-term incentive plan at the present time. The establishment of these objectives ensures momentum and clear focus towards the solid execution of the transformation plan.

(1) Cash on hand means cash and cash equivalents.

(2) Adjusted EBIT is a Non-GAAP financial measure. Refer to the Non-GAAP financial measures section for a definition of this metric. Also refer to the Reconciliation of Adjusted EBIT to EBIT under GAAP table in the Non-GAAP financial measures section of this Circular for a reconciliation to the most comparable IFRS measure.

(3) When used for performance measures for short- and long-term incentive plans, FCF means (i) for Bombardier Inc., cash flows from operating activities less net additions to property, plant and equipment and intangible assets, and (ii) for business segments, cash flows from operating activities less net additions to property, plant and equipment and intangible assets, excluding cash paid and received for interest and income taxes, as per the consolidated statements of cash flows. FCF is a Non-GAAP financial measure. Refer to the Reconciliation of Cash flows from operating activities to Free cash flow (usage) table in the Non-GAAP financial measures section of this Circular for a reconciliation to the most comparable IFRS measure.

WHY EBIT?

Adjusted EBIT is an important metric during Bombardier's transformation plan because it measures the earning power from ordinary operations, excluding interest and tax. Adjusted EBIT has been chosen as a measure for the short-term incentive plan because it measures the success of the Corporation in growing profitably (so that all growth creates value) and managing costs, which are critical to the Corporation's strategy. The HRCC believes that in a transformation situation, return measures are less useful, while a focus on pure profitability ensures a disciplined approach, and that growth achieved will drive shareholder value.

WHY FCF?

FCF is a key metric for performance because it measures Bombardier's ability to generate internal growth and deleverage the balance sheet. FCF measures the Corporation's capital allocation process, including working capital management and investments in research and development. The HRCC believes that in a transformation situation, cash is the single most important measure of corporate stability and performance.

EXECUTIVE COMPENSATION HIGHLIGHTS

The Corporation's philosophy is to align executive compensation with performance, and to reward superior accomplishments with higher compensation through performance-based short-term and long-term incentives.

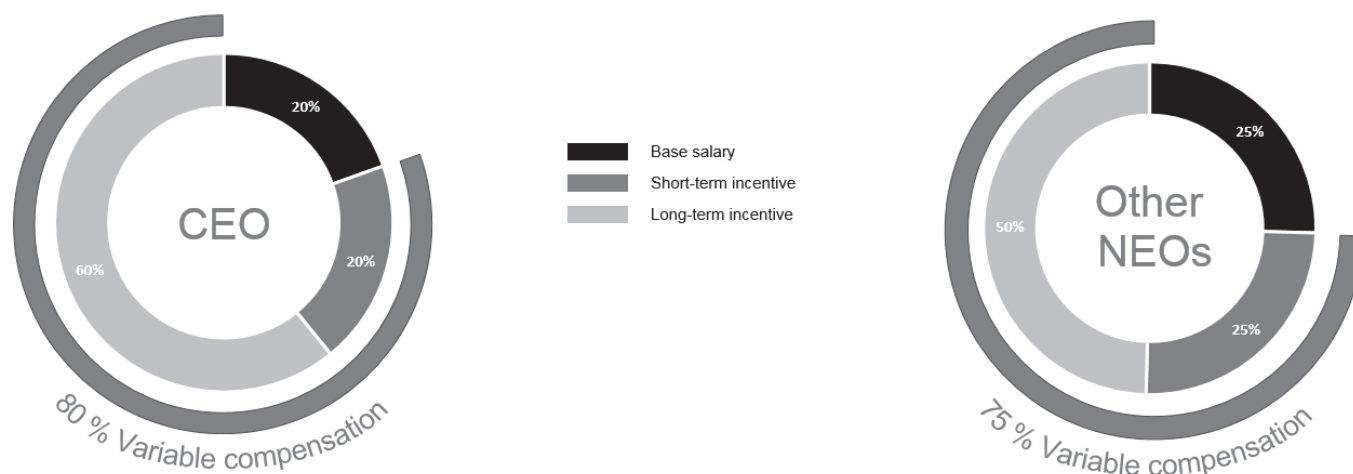
In 2020, total compensation of Bombardier's five most senior executives, excluding the former President and Chief Executive Officer and the former Senior Vice President and Chief Financial Officer, decreased by 60% in aggregate as compared with total compensation in 2019. Part of this decrease is supported by the NEOs foregoing their base salary for the month of April 2020 in the midst of the COVID-19 pandemic, and also by the change in leadership team over the course of the year.

The HRCC did not include the impact of the subsidies received from the Canada Emergency Wage Subsidy (CEWS) program when assessing financial performance for incentive compensation purposes. The HRCC believes that including wage subsidies would not provide a fair reflection of the underlying performance of the Corporation.

Please also see the performance graph below in this Section.

PAY FOR PERFORMANCE

To reward the executive team for achieving milestones towards the successful repositioning of the Corporation to a pure play business jet company, a significant portion of each executive's pay is linked to meeting Adjusted EBIT and FCF targets aligned with the short- and long-term goals of the Corporation. The following charts show that over 75% of 2020 target total direct compensation is at risk for the President and Chief Executive Officer and for the other NEOs of the Corporation (on average).



EXECUTIVE PAY PROGRAM

NAMED EXECUTIVE OFFICERS

This Compensation Discussion and Analysis describes the 2020 compensation of Bombardier’s named executive officers (“NEOs”), who are:

| Name | Position | Date of Hire |
|-------------------|---|--------------------|
| Éric Martel | President and Chief Executive Officer ⁽¹⁾ | April 6, 2020 |
| Bart Demosky | Executive Vice President and Chief Financial Officer ⁽²⁾ | December 1, 2020 |
| Danny Di Perna | President, Transportation ⁽³⁾ | September 15, 2018 |
| Steeve Robitaille | Senior Vice President, Strategic Projects ⁽⁴⁾ | April 23, 2019 |
| Daniel Brennan | Senior Vice President, People and Sustainability | February 10, 2017 |
| Alain Bellemare | Former President and Chief Executive Officer ⁽⁵⁾ | February 13, 2015 |
| John Di Bert | Former Senior Vice President and Chief Financial Officer ⁽⁶⁾ | August 10, 2015 |

(1) Éric Martel was appointed President and Chief Executive Officer of the Corporation effective on April 6, 2020.

(2) Bart Demosky was appointed Executive Vice President and Chief Financial Officer on December 1, 2020.

(3) Danny Di Perna left the organization as part of the sale of Bombardier Transportation to Alstom on January 29, 2021.

(4) Steeve Robitaille was the Senior Vice President, General Counsel and Corporate Secretary until December 3, 2020, and changed role at that point to become Senior Vice President, Strategic Projects. His employment ended on January 30, 2021 following the sale of Bombardier Transportation to Alstom.

(5) Alain Bellemare’s employment as President and Chief Executive Officer of the Corporation was terminated without cause on March 11, 2020.

(6) John Di Bert’s employment as Senior Vice President and Chief Financial Officer was terminated without cause on November 30, 2020.

COMPENSATION OBJECTIVES

Bombardier’s executive compensation program is designed to support the completion of the Corporation’s transformation plan in the short term and to increase shareholder value over the long term by:

- attracting and retaining high-performing executives in the global labour market through compensation that is market competitive;
- motivating and rewarding executives for meeting and exceeding financial and operational goals that support the repositioning of the Corporation to a pure play business jet company and drive shareholder value; and
- considering each executive’s individual performance in contributing to the key transformation plan milestones.

COMPENSATION ELEMENTS OVERVIEW

The table below shows the key elements of compensation, their respective form and, where applicable, the performance period:

| Term | Base Salary | Short-Term Incentives | Long-Term Incentives | | |
|----------------------------------|--|--|--|---|--|
| | | | RSUs | Performance Cash Long-Term Incentives | Stock Options |
| | | | 1 year | 1 year | 3 years |
| Purpose | Provide fixed level of compensation based on market benchmarking results | Reward individual performance, core competencies and behaviours based on achievement and surpassing of key financial performance measures | Reward creation of longer-term shareholder value and promote retention | Reward achieving specific performance objectives aligned with the strategic plan to transition to a pure-play business jet company | Further link the interests of executives to those of shareholders by rewarding executives for creating shareholder value |
| Criteria | Individual performance, responsibilities and scope of role, experience, skills, and overall potential to influence the future success of Bombardier | Individual performance, core competencies and behaviours in light of achievement of financial key performance measures (Adjusted EBIT and FCF) | Value based on the price of Class B subordinate voting shares | Achievement of specific performance measures linked to key milestones of the Corporation's strategic plan | Value only if the price of Class B subordinate voting shares increases above the option's exercise price |
| Payment / Vesting | Paid during 2020 | Paid in 2021 based on performance achieved in 2020 | Paid in 2023 | Paid one-third per year over three years, in 2021, 2022 and 2023, only if performance goals are achieved | Exercisable in 2023 or later (vest after three years) |
| Policy Alignment with Peer Group | Targeting median base salary offered in the Peer Group, while allowing for compensation above the median to recognize an executive's exceptional and sustained contribution to the Corporation's success | Targeting median short-term incentives of the Peer Group when performance objectives are met as adjusted based on individual performance, or above the median to recognize exceptional performance | Targeting median total compensation of the Peer Group | Targeting median total compensation of the Peer Group when performance objectives are met, or above the median to recognize exceptional performance | Targeting median total compensation of the Peer Group when share price increases |

SAY ON PAY

As a best practice, Bombardier voluntarily adopted a say-on-pay policy in 2011 that gives shareholders an annual vote on the executive compensation program as disclosed in the annual proxy circular. At the 2020 Annual General Meeting, 94.52% of votes cast on the annual advisory vote were in favour of the executive compensation program.

These results demonstrate strong shareholder support for the Corporation's pay program.

The Corporation and the HRCC appreciate the input from shareholders and consider the feedback in making compensation decisions.

COMMITTEE STRUCTURE

The structure of the various Committees of the Board of Directors facilitates assessment of the risks associated with compensation policies and practices. Overlapping memberships noted in the table below provide additional insight into, and in-depth understanding of, the Corporation's business risks and allow the HRCC to access the necessary information to consider the impact of business risks on compensation policies and practices.

| HRCC MEMBER | HRCC | AUDIT | CGNC | BOARD MEMBER SINCE |
|---|------|-------|------|--------------------|
| August W. Henningsen Independent director | M | | | April 29, 2016 |
| Douglas R. Oberhelman Independent director | M | | C | November 2, 2017 |
| Vikram Pandit Independent director | C | | M | May 1, 2014 |
| Antony N. Tyler Independent director | M | | M | May 11, 2017 |

C=Chair
M=Member

PAY POLICIES AND PRACTICES

The table below highlights Bombardier's pay and governance policies and best practices:

| COMPENSATION AND GOVERNANCE POLICIES AND PRACTICES | |
|---|--|
| What We Do | What We Don't Do |
| <ul style="list-style-type: none"> – Link executive pay to company performance through our short- and long-term incentive plans, including PSUs – Balance among short- and long-term incentives, cash and equity and fixed and variable pay – Target executive compensation at the median of the peer group companies – Set stock ownership guidelines for executives – Maintain a compensation clawback policy to recapture unearned incentive pay – Retain an independent compensation consultant for the HRCC – Ensure that no aspect of the pay policies or practices poses material adverse risk to the Corporation – Provide shareholders an annual Say-on-Pay vote | <ul style="list-style-type: none"> – No change-in-control provisions (except for certain Transaction Severance Agreements described herein) – No hedging by executives or directors of equity holdings – No repricing of underwater stock options |

The Board of Directors or HRCC, as applicable, sets short-term and long-term incentive key performance measures and targets with the objective of offering payout opportunities that align with Bombardier as a whole, its business segments and individual executive performance. The Board of Directors and HRCC retain the authority, in their sole discretion, to make adjustments to key performance measures and targets, and the measurement of results, if it is determined that performance relative to pre-established targets does not fully reflect the overall quality of the performance year or if there are material, unforeseen business conditions, circumstances, and events beyond management's control that have a positive or negative effect on financial performance relative to the established targets or certain non-recurring charges or credits unrelated to measured performance.

PEER GROUPS BENCHMARKING

Each NEO's total direct compensation is targeted within a competitive range of the median (50th percentile) of the relevant market for similar roles at comparable companies. In addition, internal factors such as the scope of the role, experience, and sustained performance of the executive are considered in setting compensation.

FACTORS CONSIDERED IN SELECTING PEER GROUP

| | |
|--|---|
| <ul style="list-style-type: none"> – Industry – Size based on annual revenues – Ownership structure (public or private) – Country of head office or a major subsidiary | <ul style="list-style-type: none"> – Complexity of operations – Number of employees – Competitors for talent – Global scope of operations |
|--|---|

The peer group is approved by the HRCC with advice from its independent consultant and designed to accurately reflect the following attributes of the Corporation's business:

ATTRIBUTES OF THE CORPORATION'S BUSINESS

| Complex Business Model | Global Competition in Aerospace and Transportation Industries | Global Competition for Key Executive Talent |
|---|---|--|
| <ul style="list-style-type: none"> – Multiple manufacturing sectors and geographic locations – Technical field/advanced technologies – Highly regulated industries | <ul style="list-style-type: none"> – Global customer base – Complex supply chains | <ul style="list-style-type: none"> – Limited talent pool with high labour mobility for executives |

Prior to the completion of the repositioning of the Corporation to a pure-play business jet company, the HRCC believed that it was critical to look at a global peer group for Bombardier's executives, rather than a peer group of Canadian companies because of the lack of size and industry-appropriate peers (e.g., other aircraft and train manufacturers), the global market for talent, and Bombardier's global operational structure (multiple international manufacturing sites, complex supply chains).

In December 2020, the HRCC approved a new peer group composed of Canadian companies of similar size to the anticipated size of the Corporation following the sale of Bombardier Transportation, from relevant industry sectors for the Corporation's future talent pool, and with a focus on manufacturing, engineering and transportation.

PEER GROUPS

For 2020, the peer group for Bombardier's executive positions is comprised of global companies, including several in the aerospace and transportation manufacturing sectors (see table below):

COMPARATOR GROUP FOR NEOS for a Corporation operating in the aviation and rail industries

| | | | |
|--|--|---|---|
| 3M Company The Boeing Company Caterpillar Inc. Cummins Inc. Deere & Company Eaton Corporation Emerson Electric Co. | Ford Motor Company General Dynamics Corp. General Electric Company Honeywell International Inc. Illinois Tool Works Inc. ITT Inc. | Johnson Controls International plc L3Harris Technologies Inc. Lockheed Martin Corp. Northrop Grumman Corp. Paccar Inc. Parker-Hannifin Corp. | Raytheon Technologies Corp. Rockwell Automation Inc. Textron Inc. The Timken Company |
|--|--|---|---|

For 2021, the newly approved peer group for Bombardier's executive positions is comprised of global Canadian companies, including several in the aerospace and manufacturing sectors (see table below):

COMPARATOR GROUP FOR NEOS for a Corporation operating as a pure-play business jet company

| | | | |
|--|--|---|--|
| Aecon Group Inc. Air Canada CAE Inc. | Canadian National Railway Canadian Pacific Railway Celestica Inc. CGI | Finning International National Bank of Canada NFI Group Inc. SNC-Lavalin Group | Stantec Inc. Teck Resources Limited TFI International WSP Global Inc. |
|--|--|---|--|

Each of the peer groups above is referred to as a Peer Group in this Circular.

COMPENSATION ELEMENTS

BASE SALARY

Each NEO's base salary is targeted within a competitive range of the market median based on benchmarking results for positions of similar responsibility within the Peer Group. Salaries may be adjusted to reflect the NEO's responsibilities, experience, skills, and overall potential to influence the future success of Bombardier. Salary increases are based on a review of individual performance, including key leadership competencies, quality of management, and business segment results.

Salary rates for the financial year ended December 31, 2020 in local currency remained at December 31, 2019 levels for all NEOs. However, due to the COVID-19 pandemic, NEOs gave up their base salary for the month of April 2020.

SHORT-TERM INCENTIVE PLAN

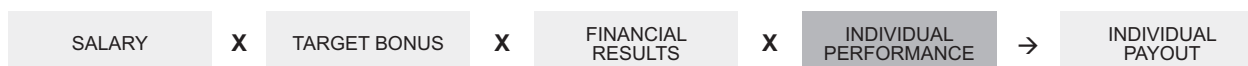
The NEOs participate in a Short-Term Incentive (“STI”) plan designed for Bombardier Inc. and for each business segment. The plan motivates the NEOs to achieve and surpass the key performance goals approved by the Board of Directors upon recommendation of the HRCC and to deliver outstanding individual performance and contribution.

For each business segment, short-term incentive target levels are established based on market benchmarks, expressed as a percentage of base salary for each NEO. The Board of Directors or HRCC, as applicable, sets key performance measures and targets to align payout opportunities with the performance of Bombardier as a whole, that of its business segments, and individual executive performance. Following the end of the year, each NEO’s target short-term incentive is multiplied by the percentage of achievement of the applicable financial performance measures, and individual payouts may be adjusted based on a discretionary assessment of individual performance as it relates to the applicable business segment or corporate goals.

The COVID-19 pandemic impacted the Corporation’s business, its customers and its end markets, which greatly affected the Corporation’s financial results. Halfway through the year, due to the financial challenges and business disruptions that resulted from the COVID-19 pandemic, the HRCC used its discretion to revise the performance measures of the 2020 STI plan to include only an FCF measure, ensuring focus was on improving the Corporation’s cash position as the Corporation navigated business disruptions related to the COVID-19 pandemic.

In connection with this change, the maximum payout for achieving the revised performance metrics was capped at 50% of target. When the key financial performance measure of FCF for a business segment did not meet their target, the payout for that business segment was zero. When the financial performance measure of FCF of a business segment met or exceeded their target, their payout was 50%. For Bombardier Inc., the payout was weighted 50% of the Aviation payout and 50% of the Transportation payout.

Following is an illustration of the process of determining individual payouts.



The table below sets forth the business segments’ targets, actual results and payout percentages, as well as the resulting Bombardier Inc. payout percentage, for the financial year ended December 31, 2020:

| BOMBARDIER INC. PERFORMANCE AGAINST TARGETS | | | | | | |
|---|---------------------|---------------------|-------------|-------------------------|----------------------------|------------------------|
| BUSINESS SEGMENT | TARGET (\$ billion) | ACTUAL (\$ billion) | ACHIEVEMENT | BUSINESS SEGMENT PAYOUT | WEIGHT FOR BOMBARDIER INC. | BOMBARDIER INC. PAYOUT |
| Aviation ⁽¹⁾ | (2.0) | (1.9) | 100% | 50% | 50% | 25% |
| Transportation | (0.2) | (1.3) | 0% | 0% | 50% | |

(1) Corporate costs, interests and taxes were excluded from disclosed values for STI calculation purposes for the Aviation business segment

The HRCC did not include the impact of the subsidies received from the Canada Emergency Wage Subsidy (CEWS) program when assessing the level of achievement of the applicable FCF targets in determining the 2020 STI payout. The HRCC believes that including wage subsidies would not provide a fair reflection of the underlying performance of the Corporation.

Past performance with respect to these targets indicates that the incentive plan goals have been challenging since actual results have been below target in recent years. Performance targets are set at a challenging and ambitious level and are attainable with significant management effort and disciplined execution provided that the operating plans are substantially complied with and achieved by management. STI payouts in the past five years as a percentage of target payouts show how Bombardier Inc.’s STI plan has performed with respect to similar goals in the past (with STI payouts in 2016, 2017, 2018, 2019 and 2020 having been 98%, 134%, 169%, 0% and 25% of target, respectively).

Once the year is completed, the HRCC and the Board of Directors assess the individual performance of the President and Chief Executive Officer. In addition, the President and Chief Executive Officer assesses the individual performance of the other NEOs and recommends the individual performance factors to the Board of Directors and HRCC for review and approval. Taking into account all the information reviewed, including the recommendations of the President and Chief Executive Officer, the HRCC makes an informed judgment and recommends, for the Board of Directors’ approval, the individual performance factor for each of these NEOs.

With respect to the President and Chief Executive Officer, who joined the Corporation in the midst of the COVID-19 pandemic, the HRCC and the Board of Directors established certain performance goals for 2020 to provide alignment with actions required to navigate the COVID-19 pandemic. These pre-established performance goals for the President and Chief Executive Officer were the successful completion of the sale of Bombardier Transportation, as well as the achievement of a minimum cash position of \$2.0B and liquidity position of \$3.0B as of December 31, 2020. The HRCC and the Board of Directors excluded subsidies received from the Canada Emergency Wage Subsidy (CEWS) program in determining the President and Chief Executive Officer’s 2020 STI payout. The HRCC believes that including wage subsidies would not provide a fair reflection of the underlying performance of the Corporation.

The table below summarizes the individual achievements of each NEO considered by the Board of Directors and HRCC in their assessment of individual performance in 2020:

| NEO | INDIVIDUAL ACHIEVEMENTS |
|--|--|
| <p>Éric Martel President and Chief Executive Officer</p> | <ul style="list-style-type: none"> – Maintained year-end cash on hand of \$2.450 billion and liquidity of \$3.203 billion, or \$2.164 billion and \$2.917 billion respectively excluding \$286M of Canada Emergency Wage Subsidies (CEWS), as the Corporation navigated the COVID-19 pandemic. – Secured a three-year \$1.0 billion senior secured term loan facility with, <i>inter alia</i>, HPS Investment Partners, LLC. – Led the signature of a definitive Sale and Purchase Agreement (SPA), with Alstom SA and the Caisse de dépôt et placement du Québec ("la Caisse") for the sale of the Corporation's Transportation business to Alstom, which closed on January 29, 2021. – Oversaw the completion of the sale of the CRJ Series aircraft program to Mitsubishi Heavy Industries, Ltd (MHI). – Oversaw the completion of the sale of aerostructures activities and aftermarket services operations in Belfast, U.K.; Casablanca, Morocco; and its aerostructures maintenance, repair and overhaul (MRO) facility in Dallas, U.S. to Spirit AeroSystems Holdings, Inc. – Began the process of streamlining the Corporation's senior leadership team as it transitions to a pure-play business jet company, with the goal of creating a leaner, more agile and customer-centric company. – Provided stewardship during the COVID-19 pandemic, which led to the implementation of a set of workplace standards that allowed the Corporation's employees to conduct their activities in a safe environment and the operations to continue. |
| <p>Bart Demosky Executive Vice President and Chief Financial Officer</p> | <ul style="list-style-type: none"> – Ensured a seamless transition after joining the Corporation as Executive Vice President and Chief Financial Officer on December 1, 2020. |
| <p>Danny Di Perna President, Transportation</p> | <ul style="list-style-type: none"> – Continued to grow and improve the quality of Transportation's backlog with \$3.1 billion in new orders, and a backlog that reached \$36.6 billion at the end of 2020. – Played a key role in the signature of a definitive Sale and Purchase Agreement (SPA) with Alstom SA and the Caisse de dépôt et placement du Québec ("la Caisse") for the sale of the Corporation's Transportation business to Alstom, which closed on January 29, 2021. |
| <p>Steeve Robitaille Senior Vice President, Strategic Projects</p> | <ul style="list-style-type: none"> – Played a key role in the signature of a definitive Sale and Purchase Agreement (SPA) with Alstom SA and the Caisse de dépôt et placement du Québec ("la Caisse") for the sale of the Corporation's Transportation business to Alstom, which closed on January 29, 2021. – Led the conclusion of the sale of the remaining interests in Airbus Canada Limited Partnership (ACLP) to Airbus SE (Airbus) and Investissement Québec (IQ). – Led the completion of the sale of the CRJ Series aircraft program to Mitsubishi Heavy Industries, Ltd (MHI). – Led the completion of the sale of aerostructures activities and aftermarket services operations in Belfast, U.K.; Casablanca, Morocco; and its aerostructures maintenance, repair and overhaul (MRO) facility in Dallas, U.S. to Spirit AeroSystems Holding, Inc. – Strengthened the Corporation's ethics and compliance program and culture. |
| <p>Daniel Brennan Senior Vice President, People and Sustainability</p> | <ul style="list-style-type: none"> – Implemented a set of workplace standards at the start of the COVID-19 pandemic across all our sites, which allowed the Corporation's employees to conduct their activities in a safe environment and the operations to continue. – Played a key role in the conclusion of the sale of the remaining interests in Airbus Canada Limited Partnership (ACLP) to Airbus SE (Airbus) and Investissement Québec (IQ). – Played a key role in the completion of the sale of the CRJ Series aircraft program to Mitsubishi Heavy Industries, Ltd (MHI). – Played a key role in the completion of the sale of aerostructures activities and aftermarket services operations in Belfast, U.K.; Casablanca, Morocco; and its aerostructures maintenance, repair and overhaul (MRO) facility in Dallas, U.S. to Spirit AeroSystems Holding, Inc. – Led the process of streamlining the Corporation's organizational structure as it transitions to a pure-play business jet company. |

The following table illustrates the target short-term incentive payable to the NEOs under the STI plan and actual payouts earned for the financial year ended December 31, 2020. Target levels for all NEOs remained the same in 2020 as in 2019 and align with the market median of the Peer Group.

| NEO | TARGET ⁽¹⁾ | ACTUAL INDIVIDUAL PAYOUT FACTOR AS A RESULT OF PERFORMANCE |
|----------------------------------|-----------------------|--|
| Éric Martel ⁽²⁾ | 100% | 90% |
| Bart Demosky ⁽³⁾ | 90% | 25% |
| Danny Di Perna ⁽⁴⁾ | 100% | 0% |
| Steeve Robitaille ⁽⁵⁾ | 100% | 25% |
| Daniel Brennan ⁽⁶⁾ | 90% | 25% |
| Alain Bellemare ⁽⁷⁾ | 160% | 0% |
| John Di Bert ⁽⁸⁾ | 100% | 0% |

(1) Expressed in each case as a percentage of base salary and currency exchange rate offsets.

(2) Éric Martel was appointed President and Chief Executive Officer of the Corporation effective on April 6, 2020.

(3) Bart Demosky was appointed Executive Vice President and Chief Financial Officer on December 1, 2020.

(4) Danny Di Perna left the organization as part of the sale of Bombardier Transportation to Alstom on January 29, 2021.

(5) Steeve Robitaille was the Senior Vice President, General Counsel and Corporate Secretary until December 3, 2020, and changed roles at that point to become Senior Vice President, Strategic Projects. His employment ended on January 30, 2021 following the sale of Bombardier Transportation to Alstom.

(6) Daniel Brennan's target STI is 75% effective January 1, 2021.

(7) Alain Bellemare's employment as President and Chief Executive Officer of the Corporation was terminated without cause on March 11, 2020.

(8) John Di Bert's employment as Senior Vice President and Chief Financial Officer was terminated without cause on November 30, 2020.

As a result of the exercise of discretion to adjust payouts based on individual performance, individual payouts result overall from a qualitative assessment of individual performance as a whole such that no percentage of each NEO's total compensation specifically relates to the quantitative performance targets.

LONG-TERM INCENTIVE PLANS

Bombardier's PSU, RSU and stock option plans are designed to align executives' interests with shareholder value creation and, in the case of the PSU plan and new Performance Cash LTI plan, to focus on achieving financial results with a strong pay-for-performance emphasis, as well as to retain key talent. Bombardier currently awards a combination of RSUs, stock options and Performance Cash LTIs as long-term incentives.

For the financial year ended December 31, 2020, the HRCC provided 50% of the value of long-term incentive grants to Éric Martel and Daniel Brennan under a newly developed Performance Cash LTI plan, 20% in the form of stock options and 30% in the form of RSUs. For the other NEOs, except Alain Bellemare who did not receive an LTI grant in 2020, the HRCC provided 100% of the value of long-term incentive grants in RSUs. The HRCC believes this combination of long-term incentives, designed to reinforce attraction and retention of key employees during the execution of the current transition of the Corporation to a pure-play business jet company, is appropriate as the Corporation navigates the economic uncertainty and significant challenges related to the COVID-19 pandemic which greatly affected the Corporation's financial results. LTI grants have the objective of motivating executives to focus their long-term efforts on share price improvement as they work towards the solid execution of Bombardier's transformation plan.

The HRCC believes that these incentive plans meet the executive compensation policy objectives because:

- they recognize and reward the impact of longer-term strategic actions taken by the executives;
- they promote executive retention since the grants vest over three years;
- the value of RSUs and stock options depends on the future market value of the Class B subordinate voting shares;
- for RSUs, there is no dilutive effect on shareholders because they are delivered, upon vesting or settlement, in cash or Class B subordinate voting shares purchased on the secondary market; and
- 100% of long-term compensation is contingent on performance or increases in the market value of the Class B subordinate voting shares.

Grant determinations. The HRCC determines the size of long-term incentive grants to be awarded to the NEOs on an annual basis, and reports to the Board of Directors for approval or information, as applicable. Grants are determined by using a grant guideline for each management level within Bombardier based on Peer Group benchmark data, taking into account the executive's potential to contribute to the future success of Bombardier. The size of grants is a function of the current year's compensation objectives and, for that reason, grants made in previous years are generally not considered to determine the grant made to a NEO in any subsequent financial year.

Stock option plan. Stock options provide an incentive tied to increases in the market value of the Class B subordinate voting shares. Please refer to "Appendix (Stock Options and 2010 Deferred Share Unit Plan (2010 DSUP))" for details on stock options and the Stock Option Plan.

Performance share units (“PSUs”). PSUs motivate executives to exceed Bombardier’s financial targets through the application of thresholds for payouts that are tied to specific financial targets set by the HRCC.

Restricted share units (“RSUs”). RSUs promote executive retention while motivating executives to increase shareholder value.

Performance Cash Long Term Incentive (“Performance Cash LTI”). The newly-developed Performance Cash LTIs motivate executives to exceed pre-determined targets set by the HRCC and the Board of Directors.

2020 grants to NEOs. No PSUs were awarded in 2020. Instead, RSUs were awarded to promote executive retention while motivating executives to increase shareholder value and to support the Corporation in its repositioning to a pure-play business jet company. Performance Cash LTIs were also awarded to promote executive retention while driving initiatives to transition the Corporation to a pure-play business jet company, with performance targets set annually by the Board of Directors aligned with the Corporation’s strategic plan. The HRCC and the Board of Directors will compare the actual results with the pre-established targets at the end of each performance period to determine the amount of the payout. Payouts can range from 0% to 200% and will be made on an annual basis over the three-year vesting period.

Actual payouts will be disclosed in the Summary Compensation Table in the years during which they actually become vested. For 2020 Performance Cash LTI grants, the HRCC approved performance measures that are milestone-based and aligned with the Corporation’s strategic plan to successfully complete the closing of the sale of Bombardier Transportation and implement the transition to a pure-play business jet company.

2019 PSU grants to NEOs. For 2019 PSU grants to NEOs, the HRCC approved the following performance measures, with vesting percentages between 0% and 100%. The threshold for a payment is 50% for a specific key performance measure.

| BUSINESS SEGMENTS | KEY PERFORMANCE MEASURES |
|--|---|
| Bombardier Inc. | <ul style="list-style-type: none"> – Cumulative Adjusted EBIT from 2019 to 2021 (35% weighting) – Adjusted EBIT margin in 2021 (15% weighting) – Cash at 2021 financial year-end (35% weighting) – FCF in 2021 (15% weighting) |
| Bombardier Aviation Bombardier Transportation | <ul style="list-style-type: none"> – Cumulative Adjusted EBIT from 2019 to 2021 (35% weighting) – Adjusted EBIT margin in 2021 (15% weighting) – Cumulative FCF from 2019 to 2021 (35% weighting) – FCF in 2021 (15% weighting) |

To ensure alignment within Bombardier’s executive team, performance targets include a significant weighting on overall corporate results, as follows:

| BUSINESS SEGMENTS | BOMBARDIER INC. | APPLICABLE BUSINESS SEGMENT |
|--|-----------------|-----------------------------|
| Bombardier Inc. | 100% | — |
| Bombardier Aviation Bombardier Transportation | 60% | 40% |

2018 PSU grants to NEOs. For 2018 PSU grants to NEOs, the HRCC approved the following performance measures, with vesting percentages between 0% and 100%. The threshold for a payment is 50% for a specific key performance measure.

| BUSINESS SEGMENTS | KEY PERFORMANCE MEASURES |
|--|---|
| Bombardier Inc. | <ul style="list-style-type: none"> – Cumulative Adjusted EBIT from 2018 to 2020 (35% weighting) – Adjusted EBIT margin in 2020 (15% weighting) – Cash at 2020 financial year-end (35% weighting) – FCF in 2020 (15% weighting) |
| Bombardier Aviation Bombardier Transportation | <ul style="list-style-type: none"> – Cumulative Adjusted EBIT from 2018 to 2020 (35% weighting) – Adjusted EBIT margin in 2020 (15% weighting) – Cumulative FCF from 2018 to 2020 (35% weighting) – FCF in 2020 (15% weighting) |

2017 PSU grants to NEOs. For 2017 PSU grants to NEOs, the HRCC approved the following performance measures, with vesting percentages between 0% and 100%. The threshold for a payment is 50% for a specific key performance measure.

| BUSINESS SEGMENTS | KEY PERFORMANCE MEASURES |
|--|---|
| Bombardier Inc. Bombardier Transportation | <ul style="list-style-type: none"> – Cumulative Adjusted EBIT from 2017 to 2019 (35% weighting) – Adjusted EBIT margin in 2019 (15% weighting) – Cash at 2019 financial year-end (35% weighting) – FCF in 2019 (15% weighting) |
| Bombardier Aviation | <ul style="list-style-type: none"> – Cumulative Adjusted EBIT from 2017 to 2019 (35% weighting) – Adjusted EBIT margin in 2019 (15% weighting) – Cumulative FCF from 2017 to 2019 (35% weighting) – FCF in 2019 (15% weighting) |

2016 PSU grants to NEOs. For 2016 PSU grants to NEOs, the HRCC approved the following performance measures, with vesting percentages between 0% and 150% (these performance measures have been adjusted to reflect the changes announced by Bombardier in April 2017 to ensure alignment with the transformation plan). The threshold for a payment is 50% for a specific key performance measure. 75% of the value of the grant is based on performance between 2016 and 2018 (the “2018 Performance Measures”), while the remaining 25% of the value of the grant is based on performance between 2016 and 2019 as per the tables below.

In addition, the total number of vested PSUs to be settled in respect of the grant shall be capped to the number of vested PSUs that would have been settled had vesting been based on 100% of the 2018 Performance Measures.

| BUSINESS SEGMENTS | KEY PERFORMANCE MEASURES |
|--|---|
| Bombardier Inc. Bombardier Transportation | <ul style="list-style-type: none"> – Cumulative Adjusted EBIT from 2016 to 2018 (35% weighting) – Adjusted EBIT margin in 2018 (15% weighting) – Cash at 2018 financial year-end (35% weighting) – FCF in 2018 (15% weighting) |
| Bombardier Aviation | <ul style="list-style-type: none"> – Cumulative Adjusted EBIT from 2016 to 2018 (35% weighting) – Adjusted EBIT margin in 2018 (15% weighting) – Cumulative FCF from 2016 to 2018 (35% weighting) – FCF in 2018 (15% weighting) |

| BUSINESS SEGMENTS | KEY PERFORMANCE MEASURES |
|--|---|
| Bombardier Inc. Bombardier Transportation | <ul style="list-style-type: none"> – Cumulative Adjusted EBIT from 2016 to 2019 (35% weighting) – Adjusted EBIT margin in 2019 (15% weighting) – Cash at 2019 financial year-end (35% weighting) – FCF in 2019 (15% weighting) |
| Bombardier Aviation | <ul style="list-style-type: none"> – Cumulative Adjusted EBIT from 2016 to 2019 (35% weighting) – Adjusted EBIT margin in 2019 (15% weighting) – Cumulative FCF from 2016 to 2019 (35% weighting) – FCF in 2019 (15% weighting) |

Long-term incentive performance targets are not disclosed because they contain highly sensitive commercial data, as well as key strategic information regarding Bombardier’s transformation plan. Public disclosure would seriously prejudice Bombardier’s interests and weaken its ability to compete. Disclosure of long-term incentive performance targets could also potentially be interpreted inappropriately as market guidance. Past performance for Bombardier Inc. with respect to these targets indicates that the incentive plan goals have been challenging since the vesting percentages in the past five years have been below target (with LTI vesting percentages for grants made in 2013, 2014, 2016 and 2017 having been 0%, 0%, 92% and 57%, respectively). The 2015 grants were delivered in RSUs, therefore no applicable performance targets applied.

Following the end of each financial year, the HRCC approves the results of prior years’ performance measures to authorize payouts in respect of PSUs reaching the vesting date during the year.

CALCULATION FOR THE 2016 PSUS PERFORMANCE VESTING

In 2017, the vesting of the 2016 PSU grants to the NEOs had voluntarily been delayed to ensure alignment with the transformation plan, therefore these PSUs vested in August 2020. Below is the calculation of the overall vesting percentage.

| KPI | EBIT Cumulative 2016-2018 | EBIT % in 2018 | Cash Year-End 2018 | FCF in 2018 | Overall Vesting Percentage |
|--------|---------------------------|----------------|--------------------|-------------|----------------------------|
| Weight | 35% | 15% | 35% | 15% | |
| Target | 2,100 | 5.35% | 3,100 | 250 | |
| Actual | 2,128 | 6.34% | 3,187 | 198 | 110% |
| Payout | 36.75% | 22.50% | 38.15% | 12.90% | |

| KPI | EBIT Cumulative 2016-2019 | EBIT % in 2019 | Cash Year-End 2019 | FCF in 2019 | Overall Vesting Percentage |
|--------|------------------------------|----------------|--------------------|-------------|-------------------------------|
| Weight | 35% | 15% | 35% | 15% | 39% |
| Target | 2,850 | 4.25% | 3,100 | 250 | |
| Actual | 2,597 | 2.99% | 2,629 | (1,203) | |
| Payout | 20.30% | —% | 18.55% | —% | |

Overall vesting percentage is calculated as 75% of the performance between 2016 and 2018 of 110%, and 25% of the performance between 2016 and 2019 of 39%, resulting in a vesting percentage of 92%.

CALCULATION FOR THE 2017 PSUS PERFORMANCE VESTING

The 2017 PSU grants vested in August 2020 and below is the calculation of the overall vesting percentage.

| KPI | EBIT Cumulative 2017-2019 | EBIT % in 2019 | Cash Year-End 2019 | FCF 2019 | Overall Vesting Percentage |
|--------|------------------------------|----------------|--------------------|----------|-------------------------------|
| Weight | 35% | 15% | 35% | 15% | 57% |
| Target | 2,600 | 5.35% | 2,300 | 260 | |
| Actual | 2,169 | 2.98% | 2,629 | (1,203) | |
| Payout | 22.00% | —% | 35.00% | —% | |

Dividend equivalents. PSUs and RSUs confer the right to receive dividend equivalents to be paid in cash at the same rate as the cash dividends (if any) paid on Class B subordinate voting shares. Dividend equivalents, if any, are paid at the end of the three-year vesting period, and in the case of PSUs, in accordance with the applicable performance vesting conditions.

RETIREMENT BENEFITS AND PERQUISITES

Bombardier provides pension, benefits and perquisites competitive with the market median of the Peer Group. The NEOs participate in two defined contribution pension plans. More details about the executive pension plans are set out under “Pension Plans.”

Benefit plans for executives cover accidental death and dismemberment insurance, business travel insurance, life insurance, long-term disability, medical services, and dental coverage. Bombardier offers the following limited perquisites:

- an amount allocated for the leasing, use, and maintenance of a company-provided car that depends on the level of responsibility of the executive; executives must pay any excess amount through payroll deductions;
- a complete annual medical check-up;
- financial counseling; and
- only for the President and Chief Executive Officer, the use of corporate aircraft for personal reasons.

The President and Chief Executive Officer did not use the Bombardier corporate aircraft for personal reasons in 2020.

OTHER BENEFITS

In 2020, a tax equalization payment was made to Alain Bellemare to offset incremental taxes paid due to relocation to Canada in accordance with the Corporation’s global mobility policy and industry practice. This assistance is designed primarily to maintain the employees’ overall income tax burden at approximately the same level as it otherwise would have been, had they not relocated. Mr. Bellemare did not receive any tax equalization payment for income linked to Bombardier. The tax equalization payment for Alain Bellemare was intended to offset the impact of higher tax rates payable in connection with long-term incentives earned from his previous employer as a result of his relocation to Canada, compared to the applicable tax rate in the United States.

COMPENSATION GOVERNANCE

COMPENSATION RISK ASSESSMENT

The HRCC reviews and assesses the Corporation’s compensation and incentive plans to ensure that they allow for appropriate business risks without encouraging excessive risk-taking behaviours. In 2020, the HRCC engaged Meridian as its independent advisor to review the risks associated with the Corporation’s compensation programs, and neither Meridian, nor the HRCC identified any risks that are reasonably likely to have a material adverse effect on the Corporation. Risk-mitigation factors include the following:

- balanced pay mix among fixed and variable pay and cash and equity;
- pay benchmarked to market data;
- incentives tied to multiple time periods (short-, mid-, and long-term) and a variety of performance objectives, including corporate and business segment;
- limited perquisites and no change-of-control benefits (except for certain Transaction Severance Agreements described herein);

- clawback policy;
- anti-hedging policy;
- stock ownership guidelines;
- independent compensation consultant for the HRCC; and
- annual awards of equity-based (and non-equity based in 2020) incentives with overlapping vesting periods ensure that executives remain exposed to the risks of their long-term decision making.

STOCK OWNERSHIP GUIDELINES

Bombardier has adopted Stock Ownership Guidelines to link executives' interests with those of shareholders. Each NEO is required to build and hold a portfolio of shares and share units with a value equal to at least the applicable multiple of his base salary noted in the following table:

| NEO | MULTIPLE OF SALARY |
|----------------------------------|--------------------|
| Éric Martel | 5x |
| Bart Demosky | 3x |
| Danny Di Perna ⁽¹⁾ | 3x |
| Steeve Robitaille ⁽²⁾ | 3x |
| Daniel Brennan | 3x |
| Alain Bellemare ⁽³⁾ | 5x |
| John Di Bert ⁽⁴⁾ | 3x |

(1) Danny Di Perna left the organization as part of the sale of Bombardier Transportation to Alstom on January 29, 2021.

(2) Steeve Robitaille was the Senior Vice President, General Counsel and Corporate Secretary until December 3, 2020, and changed role at that point to become Senior Vice President, Strategic Projects. His employment ended on January 30, 2021 following the sale of Bombardier Transportation to Alstom.

(3) Alain Bellemare's employment as President and Chief Executive Officer of the Corporation was terminated without cause on March 11, 2020.

(4) John Di Bert's employment as Senior Vice President and Chief Financial Officer was terminated without cause on November 30, 2020.

The value of the portfolio is determined based on the greater of the value at the time of acquisition or the market value of the Bombardier shares held on December 31st of each calendar year. To assess the level of ownership, Bombardier includes the value of shares owned and outstanding vested in-the-money stock options. Since Bombardier shares are traded only in Canadian dollars, the actual base salary is used at par for the NEOs who are paid in Canadian or US dollars.

There is no prescribed period to reach the stock ownership target. However, executives are not allowed to sell shares acquired through the settlement of RSUs/PSUs or the exercise of stock options until they have reached their individual target, except to cover the cost of acquiring the shares and applicable taxes.

ANTI-HEDGING POLICY

Employees may not engage in hedging or monetization transactions or any form of derivative transactions relating to Bombardier securities, including "puts" and "calls," and may not sell Bombardier securities that they do not own (short sales).

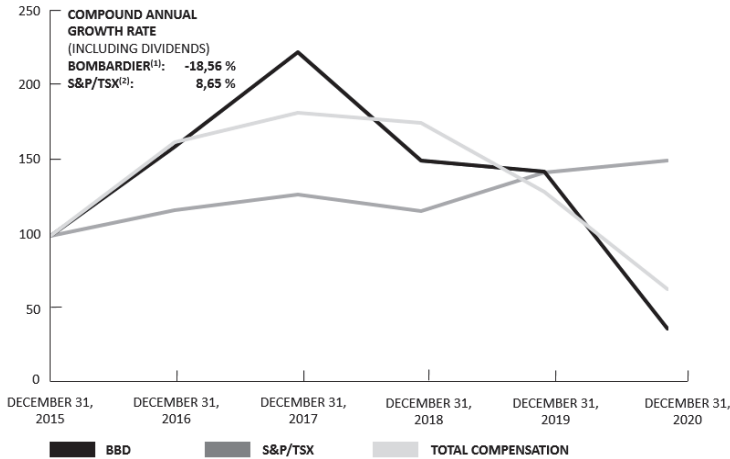
CLAWBACK POLICY

Under its Clawback Policy, Bombardier, at the discretion of the Board of Directors, can recover from the NEOs, as well as certain other executives, overpayments of incentive compensation in the event of fraud, dishonesty or misconduct that contributes to non-compliance which results in Bombardier's obligation to prepare an accounting restatement. Incentive awards that have been paid or vested may be recouped and unvested long-term incentive grants may be cancelled to the extent of any excess amount that was received in the circumstances reflected by the accounting restatement. Bombardier has not yet encountered a situation where a compensation recoupment or adjustment has been required in the circumstances described above.

PERFORMANCE GRAPH

The following performance graph shows Bombardier's cumulative TSR over its five most recently completed financial years, assuming an amount of \$100 was invested on December 31, 2015 in Class B subordinate voting shares of Bombardier and in the S&P/TSX Composite Index, as well as the evolution of the total compensation earned by the NEOs over the same period.

PERFORMANCE OF THE CLASS B SUBORDINATE VOTING SHARE OF BOMBARDIER FROM DECEMBER 31, 2015 TO DECEMBER 31, 2020



(1) Return on Class B subordinate voting shares, including dividends reinvested.

(2) Return on S&P/TSX index, including dividends reinvested.

(Index: Closing Price December 31, 2015 = 100 and Total NEO Compensation for the fiscal year ended December 31, 2015 = 100) Total compensation for the NEO is based on the fiscal year prior to the closing stock price.

The performance graph above shows the following trends in total compensation and performance:

- for 2016, the graph shows an increase in TSR and a corresponding increase in total compensation;
- for 2017, the graph shows an increase in TSR and a lesser increase in total compensation;
- for 2018, the graph shows a decrease in TSR and slight decrease in total compensation;
- for 2019, the graph shows a slight decrease in TSR and a decrease in total compensation; and
- for 2020, the graph shows a decrease in TSR and a similar decrease in total compensation.

It is important to note that:

- NEOs are compensated on the basis of performance metrics that the Corporation considers to be fundamental and tied to long-term shareholder value creation, rather than on the basis of short-term performance of the Corporation’s shares on the market. The HRCC believes Adjusted EBIT and FCF are the most appropriate performance measures for Bombardier’s compensation policy at the present time as they provide a direct link with the operational goals underlying the transformation plan, which are management’s core focus.
- A substantial portion of NEO pay is at-risk. In addition to long-term incentive equity-based awards, short-term incentive payouts are made based on the successful performance of key financial objectives that are tied to the business plan for Bombardier Inc. and its business segments. These at-risk components for the NEOs in 2020 are over 75% of their respective total compensation.
- Moreover, a significant proportion of executive compensation is granted in the form of long-term equity-based incentives, which are calculated based on grant date fair values, despite the fact that actual values will be realized only to the extent that any applicable performance targets are met and the Corporation’s share price increases. For instance, as shown in this Circular, actual results have been below target and/or minimum vesting threshold in recent years, in which cases actual gains were never realized. In the longer term, NEO compensation is directly affected by the Corporation’s share price performance. Stock option, RSU and PSU awards directly correlate to the share price and are therefore aligned with shareholder returns.
- Although the graph compares Bombardier’s TSR performance to that of market indices, the Corporation believes five-year TSR is not currently a meaningful measure for a company in the midst of a major multi-year transformation plan. However, this position could be reconsidered going forward.
- Stock price performance is affected by various factors and trends, many of which are unrelated to Bombardier’s financial and operational performance, such as economic uncertainty and industry trends related to the COVID-19 pandemic, oil price movements, macroeconomic growth rates, and geopolitical developments, as well as the factors listed below under “Forward-looking Statements”.

Notes on calculation

For purposes of calculating total compensation earned by NEOs, only those NEOs employed as at December 31 of the relevant year were included and all compensation elements were annualized if an NEO was employed only for a portion of the year, and any sign-on cash payments, sign-on long-term incentive grants, and one-time payments made to cover costs of relocation were excluded.

SUMMARY COMPENSATION TABLE

The Summary Compensation Table shows the annual compensation information for each of the NEOs of Bombardier for the three most recently-completed financial years.

In 2020 and excluding the former President and Chief Executive Officer and former Senior Vice President and Chief Financial Officer, total compensation of the Corporation's five most senior executives decreased by 60% in aggregate as compared with total compensation of the five most senior executives in 2019 (refer to the Corporation's 2020 Proxy Circular). However, the reader is cautioned that two of the NEOs below, namely Eric Martel and Bart Demosky, were not in the Corporation's 2020 Proxy Circular due to the timing of their hiring. Eric Martel was appointed as President and Chief Executive Officer effective April 6, 2020 and Mr. Bart Demosky was appointed as Executive Vice President and Chief Financial Officer on December 1, 2020. Part of this decrease is explained by the NEOs foregoing their base salary for the month of April 2020 in the midst of the COVID-19 pandemic, and also by the change in leadership team over the course of the year.

The HRCC did not include the impact of the subsidies received from the Canada Emergency Wage Subsidy (CEWS) program when assessing the level of achievement of applicable financial performance targets in determining incentive compensation. The HRCC believes that including wage subsidies would not provide a fair reflection of the underlying performance of the Corporation.

| Name and Principal Position | Financial Year Ended December 31 | Base Salary (\$) | Share-Based Awards (PSUs, RSUs or DSUs) (\$) | Option-Based Awards ⁽¹⁾ (\$) | Non-equity Incentive Plan Compensation | | Pension Value ⁽⁴⁾ (\$) | All Other Compensation ⁽⁵⁾ (\$) | Total Compensation (\$) |
|--|----------------------------------|------------------|--|---|---|--|-----------------------------------|--|-------------------------|
| | | | | | Annual Incentive Plan ⁽²⁾ (\$) | Long-term Incentive Plan ⁽³⁾ (\$) | | | |
| Éric Martel President and Chief Executive Officer | 2020 | 542,400 | 745,200 ⁽⁶⁾ | 496,800 ⁽⁶⁾ | 566,600 | — | 20,800 | 583,700 | 2,955,500 |
| | 2019 | — | — | — | — | — | — | — | — |
| | 2018 | — | — | — | — | — | — | — | — |
| Bart Demosky Executive Vice President and Chief Financial Officer | 2020 | 34,100 | 482,600 ⁽⁶⁾ | — | 8,700 | — | 6,800 | 4,100 | 536,300 |
| | 2019 | — | — | — | — | — | — | — | — |
| | 2018 | — | — | — | — | — | — | — | — |
| Danny Di Perna ⁽⁷⁾ President, Transportation | 2020 | 779,000 | 1,524,000 ⁽⁶⁾ | — | — | — | 39,500 | 92,000 | 2,434,500 |
| | 2019 | 745,400 | 1,223,800 ⁽⁸⁾ | 1,223,800 ⁽⁸⁾ | 150,000 | — | 43,200 | 301,400 | 3,687,600 |
| | 2018 | 133,700 | 946,900 ⁽⁹⁾ | 946,900 ⁽⁹⁾ | 309,200 | — | 13,900 | 424,800 | 2,775,400 |
| Steeve Robitaille ⁽¹⁰⁾ Senior Vice President, Strategic Projects | 2020 | 512,200 | 857,300 ⁽⁶⁾ | — | 139,900 | — | 20,800 | 532,400 | 2,062,600 |
| | 2019 | 389,200 | 1,483,400 ⁽⁸⁾ | 1,483,400 ⁽⁸⁾ | — | — | 20,500 | 812,000 | 4,188,500 |
| | 2018 | — | — | — | — | — | — | — | — |
| Daniel Brennan Senior Vice President, People and Sustainability | 2020 | 358,600 | 456,100 ⁽⁶⁾ | 304,000 ⁽⁶⁾ | 88,100 | — | 20,800 | 321,100 | 1,548,700 |
| | 2019 | 395,700 | 741,700 ⁽⁸⁾ | 741,700 ⁽⁸⁾ | — | — | 20,500 | 61,600 | 1,961,200 |
| | 2018 | 405,800 | 645,800 ⁽⁹⁾ | 645,800 ⁽⁹⁾ | 560,400 | — | 20,500 | 74,200 | 2,352,500 |
| Alain Bellemare ⁽¹¹⁾ Former President and Chief Executive Officer | 2020 | 219,800 | — | — | — | — | 20,800 | 12,525,900 | 12,766,500 |
| | 2019 | 1,089,100 | 2,633,000 ⁽⁸⁾ | 2,633,000 ⁽⁸⁾ | — | — | 20,500 | 1,245,700 | 7,621,300 |
| | 2018 | 1,116,800 | 2,778,900 ⁽⁹⁾ | 2,778,900 ⁽⁹⁾ | 2,828,900 | — | 20,500 | 1,106,900 | 10,630,900 |
| John Di Bert ⁽¹²⁾ Former Senior Vice President and Chief Financial Officer | 2020 | 502,800 | 914,400 ⁽⁶⁾ | — | — | — | 20,800 | 3,449,600 | 4,887,600 |
| | 2019 | 603,000 | 1,223,800 ⁽⁸⁾ | 1,223,800 ⁽⁸⁾ | — | — | 20,500 | 115,600 | 3,186,700 |
| | 2018 | 618,300 | 1,291,600 ⁽⁹⁾ | 1,291,600 ⁽⁹⁾ | 1,159,400 | — | 20,500 | 120,900 | 4,502,300 |

* All compensation amounts were paid in Canadian dollars to Éric Martel, Bart Demosky, Steeve Robitaille, Daniel Brennan, Alain Bellemare and John Di Bert and in US dollars to Danny Di Perna. The base salary and annual incentive plan amounts were converted from Canadian dollars to US dollars based on the average exchange rates during the year, of (i) 0.7461 for the financial year ended December 31, 2020, (ii) 0.7537 for the financial year ended December 31, 2019, and (iii) 0.7729 for the financial year ended December 31, 2018. The exchange rates used for the share-based awards and option-based awards are provided below in the notes to this table, and for the pension value in the notes to the "Defined Contribution Plans" tables.

- (1) The Black-Scholes pricing model is used to calculate the fair value of the awards on the grant date, as it is the methodology also used for accounting purposes.
- (2) Short-term incentives are paid in cash in the year following the financial year in which they are earned.
- (3) Eric Martel and Daniel Brennan received part of their 2020 long-term incentive grants in the form of a Performance Cash LTI. For Mr. Martel the estimated aggregate fair value of this grant is \$1,242,000 on May 14, 2020 with an exchange rate from Canadian dollars to US dollars of 0.7097, which represents a payout at 100%. For Mr. Brennan the estimated aggregate fair value of this grant is \$760,100 on November 12, 2020 with an exchange rate from Canadian dollars to US dollars of 0.7620, which represents a payout at 100%. Actual payouts will be disclosed in the Summary Compensation Table in the years during which they actually become vested. Please refer to the "Long-term incentive plans" of Section 5 of this Circular.
- (4) Refer to the table "Defined Contribution Plans" of this Circular and to previous years' circulars for the two previous years.
- (5) The table below sets forth the amounts attributable to each of the compensation items included in "All Other Compensation" for each NEO in 2020. For all NEOs in respect of the financial year ended December 31, 2020, the amounts shown exclude the value of perquisites because they are less than CDN \$50,000 or 10% of total salary.

All other compensation

The following table sets forth the amounts attributable to each of the compensation items included in "All Other Compensation" for each NEO in 2020:

| Executive | Currency Exchange Rate Offsets ^(a) (\$) | Supplemental DC Plan /Savings Account ^(b) (\$) | Relocation Costs and Tax Equalization Payments ^(c) (\$) | Lump Sum Cash Payment (\$) | Other Employee Benefits ^(d) (\$) | Total (\$) |
|-------------------|---|--|---|-------------------------------|--|---------------|
| Éric Martel | — | 125,400 | — | 423,200 ^(e) | 35,100 | 583,700 |
| Bart Demosky | — | — | — | — | 4,100 | 4,100 |
| Danny Di Perna | — | 44,500 | 46,800 | — | 700 | 92,000 |
| Steeve Robitaille | — | 95,200 | — | 411,500 ^(f) | 25,700 | 532,400 |
| Daniel Brennan | — | 60,100 | — | 258,700 ^(f) | 2,300 | 321,100 |
| Alain Bellemare | 68,300 | 45,700 | 586,300 ^(g) | 11,817,100 ^{(f)(h)} | 8,500 | 12,525,900 |
| John Di Bert | — | 92,400 | — | 3,341,300 ^{(f)(h)} | 15,900 | 3,449,600 |

- (a) This represents amounts specifically intended to offset the impact of the decrease in the Canadian dollar versus the US dollar on base salary for the financial year ended December 31, 2020 based on an average exchange rate from Canadian dollars to US dollars of 0.7461, considering that US-based executives typically assume significant currency risk due to ongoing USD-denominated expenses.
- (b) The contributions to the Supplemental DC Plan based on base salary have been made on December 24, 2020 for Éric Martel, Steeve Robitaille, Daniel Brennan and John Di Bert at an exchange rate from Canadian dollars to US dollars of 0.7791 and on March 19, 2020 for Alain Bellemare at an exchange rate from Canadian dollars to US dollars of 0.6899. Mr. Di Perna's contribution was made on December 31, 2020 in US dollars. The contributions to the Supplemental DC Plan based on the currency exchange rate offset were made on a bi-weekly basis until March 11, 2020 for Alain Bellemare and converted at an average exchange rate of 0.7461.
- (c) As per the global mobility policy, relocation costs include temporary accommodation expenses, tax equalization payments, commuter allowances and tax financial expenses including preparation of income tax returns. The relocation costs represent the difference between the aggregate incremental costs to Bombardier in comparison to the costs which would have otherwise been covered pursuant to the global mobility policy generally offered to salaried employees of Bombardier. All amounts were converted from Canadian dollars to US dollars based on the average exchange rate during the year of 0.7461.
- (d) This represents the aggregate costs to Bombardier for post-retirement benefits and the estimated costs to Bombardier for the premium paid for group insurance in excess of that generally available to salaried employees.
- (e) In recognition of his joining Bombardier, Éric Martel was entitled to a cash lump sum payment of CDN \$600,000 payable on April 2, 2020. The amount has been converted from Canadian dollars to US dollars based on an exchange rate of 0.7053.
- (f) This amount is a one-time Special Recognition Award for the contribution in reshaping the Aviation portfolio, paid in three instalments following and contingent on the closing of each of the Airbus, MHI and Spirit transactions.
- (g) This amount includes a tax equalization payment intended to offset the impact of higher tax rates payable in connection with Mr. Bellemare's exercise of Stock Appreciation Rights (SARs) from his previous employer as a result of his relocation to Canada, from the tax rate which would otherwise have been payable had he stayed in the United States. Mr. Bellemare did not receive any tax equalization payment for income linked to Bombardier. The amount has been converted from Canadian dollars to US dollars based on an exchange rate of 0.6899.
- (h) This amount includes a Severance payment and the value of the acceleration of stock options and performance share units as per the departure arrangements described under "Departure Arrangements" below.
- (6) The estimated fair value of RSUs granted is determined by applying the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date and an exchange rate from Canadian dollars to US dollars. For Éric Martel, it reflects the estimated fair value of RSUs granted on May 14, 2020, determined by applying the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date, which was \$0.46 Cdn, and the exchange rate from Canadian dollars to US dollars was of 0.7097. For Bart Demosky, it reflects the estimated fair value of RSUs granted on December 1, 2020, on which date the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date was \$0.48 Cdn and the exchange rate from Canadian dollars to US dollars was of 0.7721. For Danny Di Perna, Steeve Robitaille, Daniel Brennan and John Di Bert, it reflects the estimated fair value of RSUs granted on November 12, 2020, on which date the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date was \$0.30 Cdn and the exchange rate from Canadian dollars to US dollars was of 0.7620. For RSUs, the estimated fair value and the accounting value are equivalent.
- The estimated fair value of stock options granted on May 14, 2020 to Éric Martel was determined by applying a Black-Scholes factor of 0.415 to the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date, which was CDN \$0.46, and an exchange rate from Canadian dollars to US dollars of 0.7097. The estimated fair value of stock options granted on November 12, 2020 to Daniel Brennan was determined by applying a Black-Scholes factor of 0.415 to the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date, which was CDN \$0.30, and an exchange rate from Canadian dollars to US dollars of 0.7620. The accounting value of the options granted on May 14, 2020 was \$689,900 for Éric Martel and the accounting value of the options granted on November 12, 2020 was \$411,300 for Daniel Brennan. The difference between the accounting value and the estimated fair value of the options granted on May 14, 2020 as presented in this table is \$193,100 for Éric Martel. The difference between the accounting value and the estimated fair value of the options granted on November 12, 2020 as presented in this table is \$107,300 for Daniel Brennan. The estimated fair value is based on a Black-Scholes calculation that reflects Bombardier's expected future volatility. The difference between the accounting value and the grant date fair value of the options is due to the use of different underlying assumptions. The underlying assumptions used to determine the accounting value of the options granted on May 14, 2020 are as follows: risk free rate of 0.36%, dividend yield of 0%, share price volatility of 70.96%, expected term of 5 years and a Black-Scholes factor of 57.63%. The underlying assumptions used to determine the accounting value of the options granted on November 12, 2020 are as follows: risk free rate of 0.45%, dividend yield of 0%, share price volatility of 68.53%, expected term of 5 years and a Black-Scholes factor of 56.14%. The underlying assumptions used to determine the estimated fair value of the options granted on May 14, 2020 and November 12, 2020 are as follows: risk free rate of 0.60%, dividend yield of 0%, share price volatility of 47.70%, expected term of 5 years and a Black-Scholes factor of 41.50%.
- (7) Danny Di Perna left the organization as part of the sale of Bombardier Transportation to Alstom on January 29, 2021.
- (8) The estimated fair value of PSUs granted on May 9, 2019 was determined by applying a performance factor of 0.65 to the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date, which was CDN \$2.21, and an exchange rate from Canadian dollars to US dollars of 0.7417. As disclosed in this Circular, the 2019 PSU grant is performance based and the actual payout value could be anywhere from 0% to 100% of target. The use of a performance factor of 0.65 was determined in consultation with Mercer, management's external compensation consultant, to recognize the payout probabilities associated with the performance vesting conditions of those PSUs. The payout factor used is consistent with actual payouts of similar performance-based plans on the market, and is based on a review of the Corporation's previous performance vesting results, the current PSU performance objectives, the external competitive environment, and investment analyst perspectives. The accounting value of the PSUs granted on May 9, 2019 was \$4,050,800 for Alain Bellemare, \$1,882,800 for John Di Bert and Danny Di Perna, \$1,141,100 for Daniel Brennan and \$2,282,200 for Steeve Robitaille, based on an accounting performance factor of 1. The difference between the accounting value and the estimated fair value of the PSUs granted on May 9, 2019 as presented in this table is \$1,417,800 for Alain Bellemare, \$659,000 for John Di Bert and Danny Di Perna, \$399,400 for Daniel Brennan and \$798,800 for Steeve Robitaille. The difference between the accounting value and the grant date fair value of the share units as presented in this column is due to the performance factor of 1 applied for accounting purposes versus the performance factor of 0.65 applied for purposes of determining the grant date fair value.
- The estimated fair value of stock options granted on May 9, 2019 was determined by applying a Black-Scholes factor of 0.377 to the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date, which was CDN \$2.21, and an exchange rate from Canadian dollars to US dollars of 0.7417. The accounting value of the options granted on May 9, 2019 was \$3,652,000 for Alain Bellemare, \$1,697,400 for John Di Bert and Danny Di Perna, \$1,028,700 for Daniel Brennan and \$2,057,500 for Steeve Robitaille. The difference between the accounting value and the estimated fair value of the options granted on May 9, 2019 as presented in this table is \$1,019,000 for Alain Bellemare, \$473,600 for John Di Bert and Danny Di Perna, \$287,000 for Daniel Brennan and \$574,100 for Steeve Robitaille. The estimated fair value is based on a Black-Scholes calculation that reflects Bombardier's expected future volatility. The difference between the accounting value and the grant date fair value of the options is due to the use of different underlying assumptions. The underlying assumptions used to determine the accounting value are as follows: risk free rate of 1.55%, dividend yield of 0%, share price volatility of 60.86%, expected term of 5 years and a Black-Scholes factor of 52.29%. The underlying assumptions used to determine the estimated fair value are as follows: risk free rate of 1.56%, dividend yield of 0%, share price volatility of 40.70%, expected term of 5 years and a Black-Scholes factor of 37.70%.
- (9) The estimated fair value of PSUs granted on May 10, 2018 and on November 15, 2018 was determined by applying a performance factor of 0.65 to the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date, which was CDN \$4.13 and CDN \$2.48 respectively, and an exchange rate

from Canadian dollars to US dollars of 0.7828 and 0.7575 respectively. As disclosed in this Circular, the 2018 PSU grant is performance based and the actual payout value could be anywhere from 0% to 100% of target. The use of a performance factor of 0.65 was determined in consultation with Mercer, management's external compensation consultant, to recognize the payout probabilities associated with the performance vesting conditions of those PSUs. The payout factor used is consistent with actual payouts of similar performance-based plans on the market, and is based on a review of the Corporation's previous performance vesting results, the current PSU performance objectives, the external competitive environment, and investment analyst perspectives. The accounting value of the PSUs granted on May 10, 2018 was \$4,275,300 for Alain Bellemare, \$1,987,100 for John Di Bert and \$993,600 for Daniel Brennan, and the accounting value of the PSUs granted on November 15, 2018 was \$1,456,700 for Danny Di Perna, based on an accounting performance factor of 1. The difference between the accounting value and the estimated fair value of the PSUs granted on May 10, 2018 as presented in this table is \$1,496,400 for Alain Bellemare, \$695,500 for John Di Bert and \$347,800 for Daniel Brennan, and the difference between the accounting value and the estimated fair value of the PSUs granted on November 15, 2018 as presented in this table is \$509,800 for Danny Di Perna. The difference between the accounting value and the grant date fair value of the share units as presented in this column is due to the performance factor of 1 applied for accounting purposes versus the performance factor of 0.65 applied for purposes of determining the grant date fair value.

The estimated fair value of stock options granted on May 10, 2018 and on November 15, 2018 was determined by applying a Black-Scholes factor of 0.359 to the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date, which was CDN \$4.13 and CAD \$2.48 respectively, and an exchange rate from Canadian dollars to US dollars of 0.7828 and 0.7575 respectively. The accounting value of the options granted on May 10, 2018 was \$3,630,400 for Alain Bellemare, \$1,687,400 for John Di Bert and \$843,700 for Daniel Brennan, and the accounting value of the options granted on November 15, 2018 was \$1,256,800 for Danny Di Perna. The difference between the accounting value and the estimated fair value of the options granted on May 10, 2018 as presented in this table is \$851,500 for Alain Bellemare, \$395,800 for John Di Bert and \$197,900 for Daniel Brennan, and the difference between the accounting value and the estimated fair value of the options granted on November 15, 2018 as presented in this table is \$309,900 for Danny Di Perna. The estimated fair value is based on a Black-Scholes calculation that reflects Bombardier's expected future volatility. The difference between the accounting value and the grant date fair value of the options is due to the use of different underlying assumptions. The underlying assumptions used to determine the accounting value for the stock options granted on May 10, 2018 are as follows: risk free rate of 2.20%, dividend yield of 0%, share price volatility of 51.81%, expected term of 5 years and Black-Scholes factors of 46.90%. The underlying assumptions used to determine the accounting value for the stock options granted on November 15, 2018 are as follows: risk free rate of 2.31%, dividend yield of 0%, share price volatility of 52.71%, expected term of 5 years and Black-Scholes factors of 47.65%. The underlying assumptions used to determine the estimated fair value are as follows: risk free rate of 1.96%, dividend yield of 0%, share price volatility of 37.60%, expected term of 5 years and Black-Scholes factors of 35.90%.

The estimated fair values of equity-based incentive plans (share-based awards and option-based awards) showed in the Summary Compensation Table above were calculated as of the applicable time of grant, and accordingly those values do not reflect the actual value of compensation received, if any, upon vesting or exercise, as applicable. Value can vary significantly from year to year based on fluctuations in share price, corporate performance and the timing of vesting or exercise, as applicable. Aggressive performance targets in combination with difficult market conditions resulted in significant variability in long-term incentive awards in recent years, which had a significant impact on payouts. At any time after the grant date, stock options may be well out of money and units may vest at 0%, or have little to no value. Accordingly, caution should be exercised when reviewing the estimated grant date fair values and total compensation reported in the Summary Compensation Table.

- (10) Steeve Robitaille was the Senior Vice President, General Counsel and Corporate Secretary until December 3, 2020, and changed roles at that point to become Senior Vice President, Strategic Projects. His employment ended on January 30, 2021 following the sale of Bombardier Transportation to Alstom.
- (11) Alain Bellemare's employment as President and Chief Executive Officer of the Corporation was terminated without cause on March 11, 2020.
- (12) John Di Bert's employment as Senior Vice President and Chief Financial Officer was terminated without cause on November 30, 2020.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

| Option-Based Awards | | | | | | Share-Based Awards | | |
|--------------------------------|-------------------|--|---|---------------------------------------|---|--|---|--|
| NEO | Grant Date | Number of Securities Underlying Unexercised Options at Financial Year-End ⁽¹⁾ | Option Exercise Price ⁽²⁾ (\$) | Option Expiration Date ⁽³⁾ | Value of Unexercised in-the-money Options at Financial Year End ⁽⁴⁾ (\$) | Number of Share-Based Awards (PSUs/RSUs) that Have Not Vested at the End of the Financial Year | Share-Based Awards (PSUs/RSUs) that Have Not Vested at the End of the Financial Year ⁽⁵⁾⁽⁶⁾ (\$) | Market Value of Vested Share-Based Awards (PSUs/RSUs) not Paid Out or Distributed (\$) |
| Éric Martel | May 14, 2020 | 3,666,842 | 0.36 | May 14, 2027 | 73,300 | 2,282,609 | 867,400 | — |
| Bart Demosky | December 1, 2020 | — | — | — | — | 1,302,084 | 494,800 | — |
| Danny Di Perna | November 15, 2018 | 1,403,990 | 1.95 | November 15, 2025 | — | 775,435 | 294,700 | — |
| | May 9, 2019 | 1,980,389 | 1.73 | May 9, 2026 | — | 1,148,626 | 436,500 | — |
| | November 12, 2020 | — | — | — | — | 6,666,667 | 2,533,300 | — |
| Steeve Robitaille | May 9, 2019 | 2,400,471 | 1.73 | May 9, 2026 | — | 1,392,273 | 529,100 | — |
| | November 12, 2020 | — | — | — | — | 3,750,000 | 1,425,000 | — |
| Daniel Brennan | February 24, 2017 | 994,845 | 1.99 | February 24, 2024 | — | — | — | — |
| | August 4, 2017 | 953,449 | 2.01 | August 4, 2024 | — | — | — | — |
| | May 10, 2018 | 556,429 | 3.24 | May 10, 2025 | — | 307,320 | 116,800 | — |
| | May 9, 2019 | 1,200,236 | 1.73 | May 9, 2026 | — | 696,137 | 264,500 | — |
| | November 12, 2020 | 3,204,820 | 0.24 | November 12, 2027 | 448,700 | 1,995,000 | 758,100 | — |
| Alain Bellemare ⁽⁷⁾ | February 20, 2015 | 1,846,836 | 2.06 | February 20, 2022 | — | — | — | — |
| | August 7, 2015 | 1,539,594 | 1.30 | August 7, 2022 | — | — | — | — |
| | August 12, 2016 | 4,041,970 | 1.55 | March 11, 2023 | — | — | — | — |
| | August 4, 2017 | 3,029,308 | 2.01 | March 11, 2023 | — | — | — | — |
| | May 10, 2018 | 2,394,330 | 3.24 | March 11, 2023 | — | — | — | — |
| | May 9, 2019 | 4,260,836 | 1.73 | March 11, 2023 | — | — | — | — |
| John Di Bert ⁽⁷⁾ | August 10, 2015 | 3,862,858 | 1.25 | August 10, 2022 | — | — | — | — |
| | August 12, 2016 | 1,788,482 | 1.55 | August 12, 2023 | — | — | — | — |
| | August 4, 2017 | 1,906,897 | 2.01 | Nov.30, 2023 | — | — | — | — |
| | May 10, 2018 | 1,112,858 | 3.24 | Nov.30, 2023 | — | — | — | — |
| | May 9, 2019 | 1,980,389 | 1.73 | Nov.30, 2023 | — | — | — | — |
| | November 12, 2020 | — | — | — | — | 69,470 ⁽⁸⁾ | 26,400 | — |

(1) All stock options grants for Alain Bellemare and John Di Bert were vested as of December 31, 2020. As for the other NEOs, as of December 31, 2020, only stock options granted on February 24, 2017 and August 4, 2017 were vested.

(2) The exercise price of the stock options in this table is equal to the weighted average trading price of the Class B subordinate voting shares on the TSX for the five trading days before the grant date. The exercise price was converted from Canadian dollars to US dollars based on an exchange rate of 0.7849 as of December 31, 2020.

(3) In accordance with the terms of the Stock Option Plan, (i) if the expiration date of an option falls during, or within 10 business days following the expiration of a Blackout period, such expiration date shall automatically be extended for a period of 10 business days following the end of the Blackout period, (ii) upon retirement or termination without cause, vested stock options must be exercised within three years from the retirement date and at the end of this period, all stock options are cancelled.

(4) The value of unexercised in-the-money options as of December 31, 2020 is the difference between the closing price of the underlying shares as of that date and the exercise price, based on the closing price of the Class B subordinate voting shares of CDN \$0.48 and an exchange rate from Canadian dollars to US dollars of 0.7849 as of December 31, 2020, multiplied by the number of securities underlying unexercised options. These options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the Class B subordinate voting shares on the date of exercise.

(5) Based on the closing price of the Class B subordinate voting shares on December 31, 2020 of CDN \$0.48, assuming 100% of target of plan reached in the case of PSUs, and converted from Canadian dollars to US dollars based on an exchange rate of 0.7849 as of December 31, 2020.

(6) The vesting of all PSUs grants is conditional on the attainment of the applicable performance objectives. The PSUs may also vest at 0%. These estimates do not take into consideration possible future dividend payments.

(7) Alain Bellemare's employment as President and Chief Executive Officer of the Corporation was terminated without cause on March 11, 2020 and John Di Bert's employment as Senior Vice President and Chief Financial Officer was terminated without cause on November 30, 2020. As described in "Termination and Change of Control Provisions - Departure Arrangements" of Section 5 of this Circular, all outstanding stock options and PSUs held by them on the date of execution of the Transaction Severance Agreements vested in full on the date of their respective departure (for financial years 2020 and 2021, performance objectives were deemed achieved at target).

(8) John Di Bert's outstanding RSUs were prorated based on Plan rules upon his termination without cause on November 30, 2020.

INCENTIVE PLAN AWARDS — VALUE REALIZED ON EXERCISE AND VALUE VESTED OR EARNED

| NEO | Option-Based Awards - Value Realized on Exercise During the Year (\$) | Option-Based Awards - Value Vested During the Year ⁽¹⁾ (\$) | Share-Based Awards - Value Vested During the Year ⁽²⁾ (\$) | Non-Equity Incentive Plan Compensation - Value Earned During the Year ⁽³⁾ (\$) |
|-------------------|---|--|---|---|
| Éric Martel | — | — | — | 566,600 |
| Bart Demosky | — | — | — | 8,700 |
| Danny Di Perna | — | — | — | — |
| Steeve Robitaille | — | — | — | 139,900 |
| Daniel Brennan | — | — | 99,100 | 88,100 |
| Alain Bellemare | — | — | 3,046,000 | — |
| John Di Bert | — | — | 907,200 | — |

(1) The value is determined assuming the stock options would have been exercised on the vesting date of each relevant grant, based on the difference between the closing price of the Class B subordinate voting shares as of that date and the exercise price, and an exchange rate from Canadian dollars to US dollars on the vesting date. Some of these options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the Class B subordinate voting shares on the date of exercise.

(2) The value is determined by multiplying the number of vested PSUs by the closing price of the Class B subordinate voting shares on the vesting date. For the PSUs vested on March 11, 2020, the value is determined by multiplying the number of vested PSUs by the closing price of the Class B subordinate voting shares on March 11, 2020 of CDN \$0.83 and an exchange rate from Canadian dollars to US dollars of 0.7275. For the PSUs vested on August 3, 2020, the value is determined by multiplying the number of vested PSUs by the closing price of the Class B subordinate voting shares on August 3, 2020 of CDN \$0.47 and an exchange rate from Canadian dollars to US dollars of 0.7460. For the PSUs vested on August 12, 2020, the value is determined by multiplying the number of vested PSUs by the closing price of the Class B subordinate voting shares on August 12, 2020 of CDN \$0.42 and an exchange rate from Canadian dollars to US dollars of 0.7545. For the PSUs vested on November 30, 2020, the value is determined by multiplying the number of vested PSUs by the closing price of the Class B subordinate voting shares on November 30, 2020 of CDN \$0.53 and an exchange rate from Canadian dollars to US dollars of 0.7713.

(3) The value is the amount of the short-term incentive plan payout for the financial year ended December 31, 2020 as disclosed in the "Summary Compensation Table" of this Circular.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER THE STOCK OPTION PLAN AND THE 2010 DSUP

| Plan Category | (a) Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights | (b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (CDN\$) | (c) Number of Securities Remaining Available for further Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) |
|--|---|---|--|
| Equity compensation plans approved by security holders | Stock options ⁽¹⁾ : 134,061,653 DSUs ⁽²⁾ : 520,524 | 2.30 N/A | Stock options: 25,108,283 DSUs: 22,623,090 |
| Equity compensation plans not approved by security holders | — | — | — |
| Total | 134,582,177 | 2.30 | 47,731,373 |

(1) Please refer to "Appendix (Stock Options and 2010 Deferred Share Unit Plan (2010 DSUP))".

(2) The number of Class B subordinate voting shares issuable pursuant to the 2010 DSUP includes dividend equivalents credited and reflects the applicable payout multipliers (from 0% to 150%) based on the level of achievement of performance measures determined upon vesting in accordance with the terms of the 2010 DSUP.

ANNUAL BURN RATES FOR THE THREE MOST RECENT FINANCIAL YEARS

The following table summarizes the number of stock options and DSUs (under the 2010 DSUP) granted during the periods noted below and the potential dilutive effect of such awards.

| Period | Awards Stock Options | Granted DSUs (under 2010 DSUP) | Weighted Average Number of Class A Shares and Class B Subordinate Voting Shares Outstanding (in thousands) | Burn Rate ⁽¹⁾ |
|--------|----------------------|--------------------------------|--|--------------------------|
| 2018 | 19,180,420 | — | 2,501,047 | 0.77% |
| 2019 | 31,012,132 | — | 2,383,987 | 1.30% |
| 2020 | 6,871,662 | — | 2,408,209 | 0.29% |

(1) The Burn Rate for a given period is calculated by dividing the number of stock options and DSUs (under the 2010 DSUP) granted during such period by the weighted average number of Class A shares and Class B subordinate voting shares outstanding during such period.

PENSION PLANS

The NEOs participate in two defined contribution pension plans.

During 2020, Éric Martel, Bart Demosky, Steeve Robitaille, Daniel Brennan, Alain Bellemare and John Di Bert participated in the base defined contribution pension plan (Base DC Plan) and the supplemental defined contribution pension plan (Supplemental DC Plan). Danny Di Perna participates in the 401(k) Savings Plan and in the supplemental defined contribution pension plan (Supplemental DC Plan) in the US. Bombardier contributes a total of 20% of the base salary for Messrs. Demosky, Robitaille, Brennan and Di Bert (until his departure on November 30, 2020), 9% of the base salary for Mr. Di Perna and, in the case of Messrs. Martel and Bellemare (until his departure on March 11, 2020), 25% of the base salary (in each case, the “Contribution”). The vesting under the Base DC Plan, the 401(k) Savings Plan and the Supplemental DC Plan in Canada and in the US is immediate.

Under the Base DC Plan and the 401(k) Savings Plan, Bombardier contributes an amount up to the Contribution, subject to the limit that can be contributed under the *Income Tax Act* (Canada) and under the *Internal Revenue Service* (US) for tax-registered pension plans. For the financial year ended December 31, 2020, the contribution limit under the Base DC Plan is CDN \$27,230 and the annual compensation limit under the 401(k) Savings Plan is USD \$285,000. The NEOs have a choice of investment funds and are responsible for the investment of the contributions in their respective account. As the earnings in each investment fund are credited based on market conditions, there is no above-market or preferential earnings credited on the contributions.

Under the Supplemental DC Plan, Bombardier contributes the amount, if any, representing the difference between the Contribution and the contribution limit in the Base DC Plan and in the 401(k) Savings Plan. Contributions are made in December of each year. The contributions to the Supplemental DC Plan constitute a taxable benefit in kind to the NEOs. Hence, an amount, after tax deductions, is deposited either in a non-registered account or paid in cash for the benefit of the NEOs. As the account is non-registered, the NEOs can withdraw any amount from their respective account at their own discretion. As the earnings in each investment fund are credited based on market conditions, there is no above-market or preferential earnings credited on the contributions.

Short-term incentives paid are not considered in the computation of pension benefits.

All pension benefits payable from these plans are in addition to government social security benefits.

DEFINED CONTRIBUTION PLANS

The following table sets forth the reconciliation of the accumulated value of the Base DC Plan for each of the NEOs participating in a defined contribution pension plan between January 1, 2020 and December 31, 2020. The Supplemental DC Plan contributions are reported under the column “All Other Compensation” in the “Summary Compensation Table” of Section 5 of this Circular.

| NEO | Accumulated Value as of January 1, 2020 (\$) | Compensatory Changes ⁽¹⁾ (\$) | Accumulated Value as of December 31, 2020 ⁽²⁾ (\$) |
|-------------------|--|--|---|
| Éric Martel | 0 | 20,800 | 24,100 |
| Bart Demosky | 0 | 6,800 | 7,200 |
| Danny Di Perna | 80,500 | 39,500 | 142,800 |
| Steeve Robitaille | 22,100 | 20,800 | 48,600 |
| Daniel Brennan | 70,700 | 20,800 | 105,000 |
| Alain Bellemare | 122,700 | 20,800 | 0 |
| John Di Bert | 119,000 | 20,800 | 153,900 |

(1) Compensatory changes represent the contributions made by Bombardier. Contributions are converted from Canadian dollars to US dollars based on the average exchange rate of 0.7461 during the financial year ended December 31, 2020.

(2) The accumulated value includes employer and employee contributions and investment earnings of the financial year ended December 31, 2020. The values were converted from Canadian dollars to US dollars based on an exchange rate of 0.7849 as of December 31, 2020. Alain Bellemare withdrew his funds following his termination without cause on March 11, 2020 which results in his accumulated value on December 31, 2020 being zero.

TERMINATION AND CHANGE OF CONTROL PROVISIONS

Bombardier's policy is to request the inclusion of non-solicitation, non-disclosure and non-compete provisions in any termination or severance agreements or arrangements with the NEOs, and, subject to any individual agreement or arrangement which may be entered into between Bombardier and any of the NEOs, a separation allowance is paid only if the employment is terminated by the Corporation for any reason other than just cause.

In the case of Éric Martel, there is an agreement pursuant to which he would be entitled to receive a separation allowance in an amount equal to 24 months of his base salary and target short-term incentive if his employment was terminated by the Corporation without cause.

In the case of Bart Demosky, there is an agreement pursuant to which he would be entitled to receive a separation allowance in an amount equal to 12 months of his base salary and target short-term incentive if his employment was terminated by the Corporation without cause.

In the case of Danny Di Perna and Steeve Robitaille, there is an agreement pursuant to which they would be entitled to receive a separation allowance in an amount equal to 15 months of their base salary if their employment was terminated by the Corporation without cause.

In the case of Daniel Brennan, there is an agreement pursuant to which he would be entitled to receive a separation allowance in an amount equal to 18 months of his base salary and target short-term incentive if his employment was terminated by the Corporation without cause.

On February 17, 2020, Bombardier announced that it had signed an MOU with Alstom and CDPQ for the sale of the Transportation business to Alstom (the "Transportation Transaction"), which transaction closed on January 29, 2021. Following the execution of the MOU and announcement of the Transportation Transaction, given the uncertainty that generally prevails in transformative transactions such as the Transportation Transaction and to preserve the status quo in the event the Transportation Transaction did not close, the HRCC and the Board of Directors considered various human resource matters to ensure that Bombardier's ability to maintain its business and achieve an optimal outcome for its stakeholders would not be negatively affected by the loss of key personnel at various levels of the organization, including certain NEOs, and that relevant key personnel would be rewarded for their special contribution in the context of the transaction and compensated as appropriate for the additional efforts imposed by the process.

Accordingly, the Board of Directors approved the payment of a one-time, special cash incentive compensation to a broad group of key employees at various levels of the organization payable upon completion of the Transportation Transaction, provided the key employee was still employed by the Corporation on such date. For the applicable NEOs (which does not include Messrs. Éric Martel and Bart Demosky), this one-time, special cash incentive compensation was approved in an amount equal to 12 months of base salary and target short-term incentive compensation (the "Special Transaction Payment").

Additionally, Bombardier has entered into severance agreements with certain senior employees, including the NEOs (other than Messrs. Éric Martel and Bart Demosky, following the announcement of the Transportation Transaction (the "Transaction Severance Agreements") to provide for the severance payments and benefits described below, to be triggered upon a termination of employment either (i) by Bombardier, without cause during the period that began on the date of execution of the Transaction Severance Agreements and ending on the date which is three months following the date on which the Transportation Transaction was completed, or (ii) after completion of the Transportation Transaction, by the eligible NEO, for "good reason" within three months following the closing date (each, a "Transaction Termination"):

- a lump sum cash severance payment in an amount equal to 24 months of base salary and target short-term incentive compensation; and
- immediate vesting (as of the date of Transaction Termination) of all outstanding stock options and PSUs held on the date of execution of the Transaction Severance Agreements (with all applicable performance objectives for financial years after 2019 deemed achieved at target).

In each case, the receipt of payments and benefits under the Transaction Severance Agreements is subject to the eligible NEO's execution of a comprehensive release, and compliance by the eligible NEO with the non-solicitation, non-disclosure and non-compete provisions contained in their respective employment agreement with the Corporation.

These Transaction Severance Agreements and the payment of benefits pursuant to such agreements in the circumstances described above were approved by the Board of Directors on February 28, 2020 upon the recommendation of the HRCC, after extensive consultation with an independent external compensation consultant and external legal counsel. In reaching its decision, the Board of Directors considered the following factors, among other things:

- in connection with the Transportation Transaction, in addition to the eligible NEOs' regular duties, the eligible NEOs were to be called upon to perform additional work and services as required to evaluate and if applicable ensure that the implementation of such transaction took place in an orderly fashion;
- it was essential and in the best interests of the Corporation that the Corporation retain and encourage the continuing service and dedication to the Corporation of the eligible NEOs, without distraction caused by the uncertainties, risks and potentially disturbing circumstances that could arise from the Transportation Transaction;
- it was essential that key executives such as the eligible NEOs be focused on dealing with, and motivated to successfully complete, the Transportation Transaction in the best interests of the Corporation without regard to the effect such transaction may have had on their continued employment and/or employment duties and that, during this process, it was also important

that key executives such as the NEOs remain focused on managing activities related to the Transportation Transaction and that this was more likely if the uncertainties, risks and potentially disturbing circumstances regarding their own employment and/or employment duties were minimized; and

- it was in the best interests of the Corporation, in the context of the Transportation Transaction, to attempt to ensure a successful transition and maintain the performance of the Corporation in the best interests of the Corporation.

The immediate vesting of outstanding stock options contemplated in the Transaction Severance Agreements has been approved by the TSX, but was not subject to shareholder approval in accordance with the amending provisions of the Stock Option Plan.

In September 2020, Mr. Brennan accepted a buyout of the “good reason” clause described above, in exchange for his entitlement to a 2020 LTI grant in an aggregate value equal to \$1,520,200 representing the value of the severance amount of 24 months of base salary and target short-term incentive compensation pursuant to his Transaction Severance Agreement. The amendment of the vesting parameters for Mr. Brennan's stock options and PSUs, reverting from immediate vesting upon closing of the Transportation Transaction to the regular vesting schedule under the plan rules (contingent upon achieving the applicable performance objectives in accordance with their terms, except that all applicable performance objectives for financial years after 2019 shall be deemed achieved at target). Insofar as they relate to stock options, these amendments to vesting parameters were approved by the TSX but were not subject to shareholder approval in accordance with the amending provisions of the Stock Option Plan.

The following table sets forth estimates of the incremental amounts payable to each of the NEOs (other than Messrs. Bellemare and Di Bert) whose departure arrangements are described below under "Departure Arrangements") upon retirement, termination without cause, death or a Transaction Termination, if applicable, assuming that each such event would have taken place on December 31, 2020. In order to produce a more meaningful and reasonable estimate of the incremental value of the accelerated vesting and payout of PSUs in connection with a Transaction Termination, such value was calculated by reference to the payout expected, in the absence of a Transaction Termination, as a result of the reasonably anticipated achievement of the applicable performance goals of the relevant PSUs that will not yet have been paid out or distributed upon the occurrence of the Transaction Termination (which is assumed for these purposes to have occurred on December 31, 2020).

The table does not include the value of insurance benefits that could be continued for a few months following the occurrence of the respective event since they are generally available to all salaried employees.

| Estimated Incremental Amounts Payable upon the Following Events Assumed to Occur on December 31, 2020 | | | | | |
|---|-----------------|--------------------------------|------------|--|------------------------------|
| NEO | Retirement (\$) | Termination without Cause (\$) | Death (\$) | | Transaction Termination (\$) |
| Éric Martel | — | 3,532,100 ⁽¹⁾ | — | | — |
| Bart Demosky | — | 932,100 ⁽²⁾ | — | | — |
| Danny Di Perna | — | 1,025,000 ⁽³⁾ | — | | 3,628,600 ⁽⁵⁾ |
| Steeve Robitaille | — | 735,800 ⁽³⁾ | — | | 2,800,500 ⁽⁵⁾ |
| Daniel Brennan | — | 1,081,700 ⁽⁴⁾ | — | | 1,829,300 ⁽⁵⁾ |

(1) Lump sum amount equal to 24 months of base salary and target STI. Amounts were converted from Canadian dollars to US dollars based on an exchange rate of 0.7849 as of December 31, 2020.

(2) Lump sum amount equal to 12 months of base salary and target STI. Amounts were converted from Canadian dollars to US dollars based on an exchange rate of 0.7849 as of December 31, 2020.

(3) Lump sum amount equal to 15 months of base salary. Amounts were converted from Canadian dollars to US dollars based on an exchange rate of 0.7849 as of December 31, 2020.

(4) Lump sum amount equal to 18 months of base salary and target STI. Amounts were converted from Canadian dollars to US dollars based on an exchange rate of 0.7849 as of December 31, 2020.

(5) Included in this aggregate amount is:

- the lump sum amount equal to 24 months of base salary and target short-term incentive;
- the lump sum amount equal to the value of in-the-money stock options as of December 31, 2020 that will vest immediately. The value of the stock options is the difference between the closing price of the underlying shares as of December 31, 2020 and the exercise price, based on the closing price of the Class B subordinate voting shares of CDN \$0.48 and an exchange rate from Canadian dollars to US dollars of 0.7849 as of December 31, 2020. These options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the Class B subordinate voting shares on the date of exercise; and
- the lump sum amount equal to the value of PSUs held as of December 31, 2020 that will vest immediately (with all applicable performance objectives for financial years after 2019 deemed achieved at target). The value of the PSUs that have not yet have been paid out or distributed on December 31, 2020 is based on the closing price of the Class B subordinate voting shares on December 31, 2020 of CDN \$0.48, with performance objectives for financial years after 2019 deemed achieved at target, and converted from Canadian dollars to US dollars based on an exchange rate of 0.7849 on December 31, 2020.

It should be noted that the amounts indicated above are estimates based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, including assumptions described above.

The following table describes the consequences resulting from different types of termination from employment on the entitlement to the benefits of the Bombardier compensation programs assuming the event took place on December 31, 2020, subject to any individual agreement or arrangement which may be entered into between Bombardier and any of the NEOs (other than Messrs. Bellemare and Di Bert whose departure arrangements are described below under “Departure Arrangements”). Subject to exceptions, only the accrued and vested benefits are paid under each of the compensation plans.

| Retirement | |
|---------------------------|--|
| Severance Payment | None for voluntary retirement |
| Short-Term Incentive | Entitled to pro-rata of short-term incentive for portion of financial year prior to retirement date |
| Stock Options | If retirement on or after age 55 with 5 or more years of service, the size of the grant is reduced in proportion to the length of service between the award date and the date of departure to the length of the total vesting period. The reduced number of stock options must be exercised in the following three years and regular vesting rules continue to apply during that period. If retirement on or after age 60 with 5 or more years of service or unreduced early retirement eligible under an approved Bombardier retirement plan, the size of the grant is not affected and stock options must be exercised in the following three years and regular vesting rules continue to apply during that period. |
| Performance Share Units | If retirement on or after age 55 with 5 or more years of service, PSU grant is reduced in proportion to the length of service between the award date and the date of departure to the length of the total vesting period and will be paid at the end of the vesting period, subject to meeting the applicable performance objectives. If retirement on or after age 60 with 5 or more years of service or unreduced early retirement eligible under an approved Bombardier retirement plan, the size of the grant is not affected and will be paid at the end of the vesting period, subject to meeting the applicable performance objectives. ⁽¹⁾ |
| Restricted Share Units | If retirement on or after age 55 with 5 or more years of service, RSU grant is reduced in proportion to the length of service between the award date and the date of departure to the length of the total vesting period and will be paid at the end of the vesting period. If retirement on or after age 60 with 5 or more years of service or unreduced early retirement eligible under an approved Bombardier retirement plan, the size of the grant is not affected and will be paid at the end of the vesting period. |
| Deferred Share Units | Upon retirement, DSUs already vested are settled in Class B subordinate voting shares before the last day of the calendar year of retirement. All unvested DSUs expire immediately. |
| Performance Cash LTI | If retirement on or after age 55 with 5 or more years of service, Performance Cash LTI grant is reduced in proportion to the length of service between the award date and the date of departure to the length of the total vesting period and will be paid at the end of the vesting period, subject to meeting the applicable performance objectives. If retirement on or after age 60 with 5 or more years of service or unreduced early retirement eligible under an approved Bombardier retirement plan, the size of the grant is not affected and will be paid at the end of the vesting period, subject to meeting the applicable performance objectives. ⁽¹⁾ |
| Pension Plan | Pension benefits start being paid according to plan rules. |
| Benefits and Perquisites | Some benefits could continue up to age 65 depending on the number of years of service. Perquisites expire upon retirement. |
| Termination Without Cause | |
| Severance Payment | Will be based on common or civil law requirements, except as described in “Termination and Change of Control Provisions” of Section 5 of this Circular. |
| Short-Term Incentive | None, except as described in “Termination and Change of Control Provisions” of Section 5 of this Circular. |
| Stock Options | The size of the grant is reduced in proportion to the length of service between the award date and the date of departure to the length of the total vesting period. The reduced number of stock options must be exercised in the following three years and regular vesting rules continue to apply during that period. |
| Performance Share Units | The PSU grant is reduced in proportion to the length of service between the award date and the date of departure to the length of the total vesting period and will be paid at the end of the vesting period, subject to meeting the applicable performance objectives. |
| Restricted Share Units | The RSU grant is reduced in proportion to the length of service between the award date and the date of departure to the length of the total vesting period and will be paid at the end of the vesting period. |
| Deferred Share Units | Upon termination, DSUs already vested are settled in Class B subordinate voting shares before the last day of the calendar year of termination. All unvested DSUs expire immediately. |
| Performance Cash LTI | The Performance Cash LTI grant is reduced in proportion to the length of service between the award date and the date of departure to the length of the total vesting period and will be paid at the end of the vesting period, subject to meeting the applicable performance objectives. |
| Pension Plan | Value of pension benefits payable in accordance with local legal requirements |
| Benefits and Perquisites | All benefits and perquisites expire immediately or after a minimal period of a few months. |
| Death | |
| Severance Payment | None |
| Short-Term Incentive | Entitled to pro-rata of short-term incentive for portion of financial year prior to the date of death |
| Stock Options | Already vested stock options could be exercised within the following 12 months. ⁽²⁾ |

| | |
|--|---|
| Performance Share Units | The PSU grant is reduced in proportion to the length of service between the award date and the date of death to the length of the total vesting period and will be paid at the end of the vesting period, subject to meeting the applicable performance objectives. |
| Restricted Share Units | The RSU grant is reduced in proportion to the length of service between the award date and the date of death to the length of the total vesting period and will be paid at the end of the vesting period. |
| Deferred Share Units | Upon death, DSUs already vested are settled in Class B subordinate voting shares before the last day of the calendar year of death. All unvested DSUs expire immediately. |
| Performance Cash LTI | The Performance Cash LTI grant is reduced in proportion to the length of service between the award date and the date of death to the length of the total vesting period and will be paid at the end of the vesting period, subject to meeting the applicable performance objectives. |
| Pension Plan | Value of pension benefits payable in accordance with local legal requirements. |
| Benefits and Perquisites | All benefits expire immediately. Perquisites expire upon death. |
| Voluntary Resignation or Termination with Cause | |
| Severance Payment | None |
| Short-Term Incentive | None |
| Stock Options | All options expire immediately. |
| Performance Share Units | All PSUs expire immediately. |
| Restricted Share Units | All RSUs expire immediately. |
| Deferred Share Units | Upon termination, DSUs already vested are settled in Class B subordinate voting shares before the last day of the calendar year of termination. However, vested DSUs may be cancelled by the HRCC if the termination of employment is due to a breach of the Code of Ethics. All unvested DSUs expire immediately. |
| Performance Cash LTI | All Performance Cash LTI amount expire immediately. |
| Pension Plan | Value of pension benefits payable in accordance with local legal requirements. |
| Benefits and Perquisites | All benefits and perquisites expire immediately. |
| Change of Control | |
| | Except for the Transaction Severance Agreements described above, Bombardier has no change of control arrangements or agreement with any of its executives. A termination without cause following a change of control would therefore trigger the provisions set forth for "Termination Without Cause", if any. Refer to the description of the Transaction Severance Agreement in "Termination and Change of Control Provisions" of Section 5 of this Circular regarding the consequences resulting from a Transaction Termination on the entitlement to the benefits of the Bombardier compensation programs pursuant to such individual agreements. |

- (1) The same applies if the individual takes a leave of absence resulting from sickness, disability, maternity, paternity, parental leave or adoption.
- (2) Provided however that no stock option shall be exercised after the earlier of their original expiration date, and if applicable, three years from the retirement, voluntary authorized leave of absence or disability leave of absence date.

DEPARTURE ARRANGEMENTS

On March 11, 2020, the Corporation announced that the employment of Alain Bellemare, President and Chief Executive Officer, was terminated without cause and Mr. Bellemare resigned as a director of the Corporation. A departure arrangement was agreed to with him, reflecting his existing employment contract and his Transaction Severance Agreement, and providing for incremental payments, payables, and benefits to him in an aggregate value of \$6,975,000, consisting of a lump sum cash severance payment in an amount equal to 24 months of base salary and target short-term incentive compensation, including a foreign exchange currency adjustment, as per his employment agreement.

Pursuant to his departure arrangement, Mr. Bellemare was entitled to a payment in lieu of the Special Transaction Payment to which he would have otherwise been entitled, payable in two installments. He received an amount of \$1,844,700 as the first installment, triggered by the signature of the share purchase agreement related to the Transportation Transaction and is entitled to a second, and final, installment of \$1,932,800 within thirty business days following the closing date of the Transportation Transaction.

In addition, the vesting of Mr. Bellemare's outstanding stock options and PSUs accelerated as of the date of his departure, with applicable performance objectives for PSUs which were deemed achieved at target for the financial years 2020 and 2021.

On November 30, 2020, the Corporation announced that the employment of John Di Bert, Senior Vice President and Chief Financial Officer, was terminated without cause. A departure arrangement was agreed to with him, reflecting his existing employment contract and his Transaction Severance Agreement, and providing for incremental payments, payables, and benefits to him in an aggregate value of \$2,511,700, consisting of a lump sum cash severance payment in an amount equal to 24 months of base salary and target short-term incentive compensation as per his employment agreement.

Pursuant to his departure arrangement, Mr. Di Bert is entitled to receive an amount of \$1,255,800, which amount represents pay in lieu of the Special Transaction Payment to which he would have otherwise been entitled, payable within thirty business days following the closing date of the Transportation Transaction.

In addition, the vesting of Mr. Di Bert's outstanding stock options and PSUs accelerated as of the date of his departure, with applicable performance objectives for PSUs which were deemed achieved at target for the financial years 2020 and 2021.

These departure arrangements were approved by the Board of Directors upon the recommendation of the HRCC.

Messrs. Bellemare and Di Bert provided full and complete liability releases in favour of the Corporation as well as customary non-solicitation and non-compete provisions. The receipt of payments and benefits under Messrs. Bellemare's and Di Bert's departure arrangements requires continued compliance by Messrs. Bellemare and Di Bert with such non-solicitation and non-compete provisions, as well as with the confidentiality provisions contained in their employment agreements with the Corporation and in Bombardier's Code of Ethics. In consideration for the payments and benefits provided under Mr. Bellemare's departure arrangement, he also agreed to assist Bombardier to ensure a smooth transition to his successor and to make himself available to support the reasonable requests of Bombardier with respect to completing the Transportation Transaction.

SUMMARY

The HRCC is satisfied that Bombardier's current executive compensation policies, plans and levels of compensation are aligned with Bombardier's performance in light of applicable circumstances and reflect competitive market practices.

The HRCC is confident that these policies and plans allow Bombardier to attract, retain and motivate talented executives while promoting the creation of shareholder value.

The HRCC fully understands the long-term implications of the executive compensation policy and plans and the limitations that they may impose on the total compensation results.

A member of the HRCC will be available to answer questions relating to Bombardier's executive compensation matters at the Meeting, on Thursday, May 6, 2021.

Submitted by the Human Resources and Compensation Committee of the Board of Directors.

Vikram Pandit, Chair
August W. Henningsen
Douglas R. Oberhelman
Antony N. Tyler

SECTION 6: ADDITIONAL INFORMATION

DIRECTORS' AND OFFICERS' INSURANCE

Bombardier has in place a Directors' and Officers' Liability program for the benefit of the Corporation, its directors and officers to indemnify them against certain liabilities incurred by them in their capacity as directors and officers of the Corporation, subject to the terms, conditions and exclusions of the policy. The limit of insurance provided is \$216,000,000 per occurrence and in the aggregate for a period of 6 months, at a cost of \$2,586,945 for the same period. The deductible applicable to the Corporation is \$10,000,000 for any insured occurrence.

AVAILABLE DOCUMENTATION

Copies of the Annual Information Form for the financial year ended December 31, 2020, the 2021 Circular and the 2020 Financial Report of Bombardier, which includes its audited consolidated financial statements and its management's discussion and analysis thereon for the financial year ended December 31, 2020, and copies of its quarterly financial reports, which include its quarterly financial statements filed since the date of its latest audited annual financial statements, may be obtained on request from the Public Affairs Department of Bombardier or at www.bombardier.com or www.sedar.com. Financial information related to Bombardier is provided in its comparative financial statements and management's discussion and analysis thereon for the financial year ended on December 31, 2020.

The Corporation offers its shareholders the opportunity to view management proxy circulars, annual reports and quarterly reports through the Internet instead of receiving paper copies in the mail. You will find more information on this matter in the Meeting Materials section above.

SHAREHOLDER PROPOSALS

Shareholders of Bombardier who will be entitled to vote at the 2022 annual meeting of shareholders and who wish to submit a proposal in respect of any matter to be raised at such meeting must submit their proposal(s) to the Senior Vice President, General Counsel and Corporate Secretary of Bombardier no later than December 17, 2021.

ADVANCE NOTICE REQUIREMENT FOR DIRECTOR NOMINATIONS

Bombardier's By-Law One contains an advance notice requirement in circumstances where nominations of persons for election to the Board of Directors are made by shareholders of the Corporation other than pursuant to: (a) a requisition of a meeting made pursuant to the provisions of the CBCA; or (b) a shareholder proposal made pursuant to the provisions of the CBCA (the "Advance Notice Requirement"). In the case of an annual meeting of shareholders, notice to the Corporation must be made not less than 30 nor more than 65 days prior to the date of the annual meeting; provided, however that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Corporation must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made. In addition, the Advance Notice Requirement sets forth the information that a shareholder must include in the notice for it to be valid, including, among other things, identification and shareholding information about the nominee and information about the shareholder making the nomination and any proxy, contract, arrangement, understanding or relationship pursuant to which such shareholder has a right to vote any shares of Bombardier. Bombardier's By-Law One is available on the SEDAR website at www.sedar.com.

APPROVAL OF THE BOARD OF DIRECTORS OF BOMBARDIER

The contents and the sending of this Circular have been approved by the Board of Directors.

Montréal, March 17, 2021



Annie Torkia Lagacé
Senior Vice President, General Counsel and Corporate Secretary

EXHIBIT "A"

BOMBARDIER INC.

MANDATE OF THE BOARD OF DIRECTORS OF BOMBARDIER INC.

MANDATE OF THE BOARD

The role of the Board is to supervise the management of Bombardier's business and affairs with the objective of increasing profitability and, therefore, enhancing shareholder value.

The directors, in exercising their powers and discharging their duties, shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Management's role is to conduct the day-to-day operations in a way that is consistent with the business plan approved by the Board.

The Board decides all matters expressly stated herein to be under its jurisdiction or provided for under the *Canada Business Corporations Act* ("CBCA") or other applicable legislation or Bombardier's articles of incorporation or by-laws (subject always to the power of the Board to delegate to a Committee or to individual directors or officers any part of its authority which it may lawfully so delegate). The Board may assign to any Board Committee the prior review of any issues the Board is responsible for Board Committee recommendations are subject to Board approval. The Board is to be informed of any Board Committee decisions at the regular Board meeting next following such decision.

As part of its stewardship responsibility, the Board advises management on significant business issues and has the following responsibilities:

A. APPROVING BOMBARDIER'S STRATEGY

- adopting a strategic plan, updating it on at least an annual basis, taking into account, among other things, the opportunities and risks of the business, and monitoring the implementation of the strategic plan by management;
- adopting, on an annual basis, an appropriate business plan which reflects the implementation of the first year of the strategic plan, and reviewing it on a quarterly basis.

B. MONITORING FINANCIAL MATTERS AND INTERNAL CONTROLS

- through the work and recommendations of the Audit Committee, monitoring the quality and integrity of Bombardier's accounting and financial reporting systems, disclosure controls and procedures, internal controls and management information systems, including by overseeing:
 - a) the integrity and quality of Bombardier's financial statements and other financial information and the appropriateness of their disclosure;
 - b) independent auditors' qualifications and independence;
 - c) the performance of Bombardier's internal audit function and of Bombardier's independent auditors; and
 - d) Bombardier's compliance with its own Code of Ethics and Business Conduct and all applicable legal and regulatory requirements;
- except to the extent delegated by the Board, the responsibility of all decisions involving a minimum amount, as provided in the Administration Policy pertaining to the various levels of authority;
- based on the recommendations of the Audit Committee, recommending to the shareholders of Bombardier the appointment of its independent auditors;
- through the work and recommendations of the Finance and Risk Management Committee, ensuring that an appropriate risk assessment process is in place to identify, assesses and manage the principal risks of Bombardier's business;
- adopting communications policies and monitoring Bombardier's investor relations programs; Bombardier's communications policies (i) address how Bombardier interacts with analysts, investors, other key stakeholders and the public, (ii) contain measures for Bombardier to comply with its continuous and timely disclosure obligations and to avoid selective disclosure, and (iii) are reviewed at least annually.

C. MONITORING PENSION FUND MATTERS

- through the work and recommendations of the Finance and Risk Management Committee, monitoring and reviewing Bombardier's pension fund investment policies and practices, in the context of pension plan liabilities.

D. MONITORING ENVIRONMENTAL MATTERS

- through the work and recommendations of the Finance and Risk Management Committee, monitoring and reviewing, as appropriate, Bombardier's environmental policies and practices and overseeing their compliance with applicable legal and regulatory requirements.

E. MONITORING OCCUPATIONAL HEALTH AND SAFETY MATTERS

- through the work and recommendations of the Human Resources and Compensation Committee, monitoring and reviewing, as appropriate, Bombardier's occupational health and safety policies and practices and overseeing their compliance with applicable legal and regulatory requirements.

F. OVERSEEING THE SUCCESSION PLANNING OF THE CHIEF EXECUTIVE OFFICER AND A NUMBER OF SELECTED SENIOR EXECUTIVE POSITIONS THROUGH THE APPROPRIATE MECHANISMS PUT IN PLACE BY THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

- appointing the Chief Executive Officer, monitoring his performance and overseeing the appointment of a number of selected senior executive positions;
- approving the compensation of the Chief Executive Officer and ensuring that an appropriate portion of the compensation of the Chief Executive Officer and of a number of selected senior executive positions is tied to the short- and long-term performance of Bombardier;
- ensuring that recruitment, training and development processes are in place to attract, motivate and retain qualified executives to meet Bombardier's business objectives.

G. MONITORING CORPORATE GOVERNANCE ISSUES THROUGH THE WORK AND RECOMMENDATIONS OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

- monitoring the size and composition of the Board to ensure effective decision-making;
- overseeing management in the competent and ethical operation of Bombardier;
- monitoring Bombardier's approach to governance issues and monitoring and reviewing, as appropriate, Bombardier's Corporate Governance Manual and policies;
- reviewing, from time to time, Bombardier's Code of Ethics and Business Conduct applicable to Bombardier's directors, officers, and employees;
- ensuring the annual performance assessment of the Board, Board Committees, board and committee chairs and individual directors and determining their remuneration;
- recommending to the Board (i) the Board nominees for election at the annual meeting of shareholders or (ii) up to two nominees to be appointed by the Board as additional directors to hold office for a term expiring not later than the close of the next annual meeting of shareholders or (iii) the nominees to fill Board vacancies.

H. THE LEAD DIRECTOR

- prior to or after each regular meeting of the Board, if required, the independent directors will meet under the chairmanship of the Lead Director who is appointed annually by the members of the Board;
- additional meetings may be held at the request of any independent director;
- thereafter, the Lead Director will transmit to the Chairman of the Board and Chief Executive Officer, any comment, question or suggestion of independent directors;
- independent directors have no decision-making power;
- independent directors may provide for their own procedure such as secretariat, notices of meeting, minutes and similar matters;
- their quorum is composed of a majority of the independent directors.

APPENDIX

STOCK OPTIONS AND 2010 DEFERRED SHARE UNIT PLAN (2010 DSUP)

Stock options

A grant of stock options represents the right to purchase an equal number of Class B subordinate voting shares at the determined exercise price.

The main rules of the Stock Option Plan are as follows:

- the exercise price equals the weighted average trading price of the Class B subordinate voting shares traded on the TSX on the five trading days immediately preceding the day on which an option is granted;
- options have a maximum term of seven years and vest at a rate of 100% at the end of the third anniversary of the date of grant; the three-year vesting period aligns with the vesting schedules of the RSU/PSU/DSU plans;
- if the expiration date of an option falls during, or within 10 business days following the expiration of a blackout period, such expiration date shall automatically be extended for a period of 10 business days following the end of the blackout period; and
- refer to “Termination and Change of Control Provisions” of Section 5 of this Circular for the treatment of stock options in such cases.

In addition, the Stock Option Plan provides that no option or any right in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession.

The granting of stock options is subject to the following rules:

- granting non-assignable options to purchase Class B subordinate voting shares may not exceed 224,641,195, taking into account the aggregate number of Class B subordinate voting shares issuable under any other security-based compensation arrangement of the Corporation; and
- in any one-year period, any insider or his or her associates may not be issued shares exceeding 5% of all issued and outstanding Class B subordinate voting shares.

Deferred Share Units (“DSUs”)

A grant of DSUs represents the right to receive an equal number of Class B subordinate voting shares or, in the case of DSUs granted prior to June 2010, a cash payment equal to the value of the DSUs, if the pre-determined performance targets are attained.

The main rules of the DSU Plan and 2010 DSUP are summarized below:

- the vesting period is determined at the date of the grant, subject to a maximum term of three years from that date;
- the key performance indicator and targets for DSUs are usually determined at the date of the grant by the HRCC;
- the number of Class B subordinate voting shares or amount of the cash payment delivered upon the participant’s termination of employment, death or retirement may be cancelled, reduced or increased depending on the actual results of the applicable performance indicator(s);
- dividend equivalents will be settled in the form of additional DSUs;
- the maximum number of Class B subordinate voting shares which may be issued from treasury under the 2010 DSUP is 24,000,000; and
- refer to “Termination and Change of Control Provisions” of Section 5 of this Circular for the treatment of DSUs in such cases.

In addition, the terms of the DSU Plan and 2010 DSUP provide that the rights of a participant thereunder may not be assigned, encumbered, pledged, transferred or alienated in any way other than by will or pursuant to the laws of succession.

When a DSU participant’s employment terminates for any reason, vested DSUs are settled. Vested DSUs granted before June 2010 under the DSU Plan are settled as Class B subordinate voting shares purchased on the secondary market or, at the discretion of the HRCC, the cash equivalent. Vested DSUs granted on or after June 2010 under the 2010 DSUP are settled as Class B subordinate voting shares issued from treasury or purchased on the secondary market. Actual settlements of vested DSUs may be postponed by the HRCC until the last calendar day of the year of termination of employment, death or retirement.

Common terms

In addition, under the terms of both the 2010 DSUP and Stock Option Plan:

- the total number of Class B subordinate voting shares issuable from treasury, together with the Class B subordinate voting shares issuable from treasury under all of the Corporation’s other security based compensation arrangements, at any time, may not exceed 10% of the aggregate number of issued and outstanding Class B subordinate voting shares and Class A shares;

- the total number of Class B subordinate voting shares issuable from treasury to insiders and their associates, together with the Class B subordinate voting shares issuable from treasury to insiders and their associates under all of the Corporation's other security based compensation arrangements, at any time, may not exceed 5% of the total issued and outstanding Class B subordinate voting shares;
- the total number of Class B subordinate voting shares issued from treasury to insiders and their associates, together with the Class B subordinate voting shares issued from treasury to insiders and their associates under all of the Corporation's other security based compensation arrangements, within any given one-year period, may not exceed 10% of the total issued and outstanding Class B subordinate voting shares; and
- a single person cannot hold DSUs covering, or options to acquire, as the case may be, more than 5% of the Class B subordinate voting shares issued and outstanding.

As of December 31, 2020, the status was as follows:

| | Plan | Issued | Issuable under DSUs Granted OR Stock Options Granted but Unexercised | Issuable for Future DSUs OR Stock Option Grants ⁽¹⁾ |
|--|-------------------|---------------------------|--|---|
| Total number of Class B subordinate voting shares | Stock Option Plan | 65,471,259 ⁽²⁾ | 134,061,653 | 23,731,373 |
| | 2010 DSUP | 856,386 | 520,524 | 22,623,090 |
| % of total number of Class A shares and Class B subordinate voting shares issued and outstanding | Stock Option Plan | 2.69% | 5.50% | 0.97% |
| | 2010 DSUP | 0.04% | 0.02% | 0.93% |

(1) The aggregate number of Class B subordinate voting shares issuable under the Stock Option Plan and the 2010 DSUP may not exceed, taking into account the aggregate number of Class B subordinate voting shares issuable under any other security based compensation arrangement of the Corporation, 224,641,195.

(2) Including a number of 540,000 shares which were issued pursuant to the exercise of stock options granted under the Stock Option Plan for the benefit of the non-executive directors of Bombardier, which was abolished effective October 1, 2003.

The total number of stock options issued in the financial year ended December 31, 2020 (being 6,871,662 stock options), as a percentage of the total number of Class A shares and Class B subordinate voting shares that were issued and outstanding as at December 31, 2020, is 0.28%.

Right to amend the 2010 DSUP or the Stock Option Plan

The Board of Directors may, subject to receiving the required regulatory and stock exchange approvals, amend, suspend or terminate the 2010 DSUP and any DSUs granted thereunder or the Stock Option Plan and any outstanding stock option, as the case may be, without obtaining the prior approval of the shareholders of the Corporation; however, no such amendment or termination shall affect the terms and conditions applicable to unexercised stock options previously granted without the consent of the relevant optionees, unless the rights of such optionees shall have been terminated or exercised at the time of the amendment or termination.

Subject to but without limiting the generality of the foregoing, the Board of Directors may:

- wind up, suspend or terminate the 2010 DSUP or the Stock Option Plan;
- terminate an award granted under the 2010 DSUP or the Stock Option Plan;
- modify the eligibility for, and limitations on, participation in the 2010 DSUP or the Stock Option Plan;
- modify periods during which the options may be exercised under the Stock Option Plan;
- modify the terms on which the awards may be granted, terminated, cancelled and adjusted and, in the case of stock options only, exercised;
- amend the provisions of the 2010 DSUP or the Stock Option Plan to comply with applicable laws, the requirements of regulatory authorities or applicable stock exchanges;
- amend the provisions of the 2010 DSUP or the Stock Option Plan to modify the maximum number of Class B subordinate voting shares which may be offered for subscription and purchase under the 2010 DSUP or the Stock Option Plan following the declaration of a stock dividend, subdivision, consolidation, reclassification, or any other change with respect to the Class B subordinate voting shares;
- amend the 2010 DSUP or the Stock Option Plan or an award thereunder to correct or rectify an ambiguity, a deficient or inapplicable provision, an error or an omission; and
- amend a provision of the 2010 DSUP or the Stock Option Plan relating to the administration or technical aspects of the plan.

However, notwithstanding the foregoing, the following amendments must be approved by the shareholders of the Corporation:

- In the case of the Stock Option Plan or outstanding options :
 - an amendment allowing the issuance of Class B subordinate voting shares to an optionee without the payment of a cash consideration, unless provision has been made for a full deduction of the underlying Class B subordinate voting shares from the number of Class B subordinate voting shares reserved for issuance under the Stock Option Plan;

- a reduction in the purchase price for the Class B subordinate voting shares in respect of any option or an extension of the expiration date of any option beyond the exercise periods provided by the Stock Option Plan;
 - the inclusion, on a discretionary basis, of non-employee directors of the Corporation as participants in the Stock Option Plan;
 - an amendment allowing an optionee to transfer options other than by will or pursuant to the laws of succession;
 - the cancellation of options for the purpose of issuing new options;
 - the grant of financial assistance for the exercise of options;
 - an increase in the number of Class B subordinate voting shares reserved for issuance under the Stock Option Plan; and
 - any amendment to the method for determining the purchase price for the Class B subordinate voting shares, in respect of any option.
- In the case of the 2010 DSUP or DSUs granted thereunder :
 - an amendment allowing a participant to transfer DSUs, other than by will or pursuant to the laws of succession; and
 - an increase in the number of treasury Class B subordinate voting shares reserved for issuance under the 2010 DSUP.

NON-GAAP FINANCIAL MEASURES

The Circular includes certain reported earnings in accordance with IFRS and the following non-GAAP financial measures:

| Non-GAAP financial measures | |
|-----------------------------|--|
| Adjusted EBIT | EBIT excluding special items. Special items comprise items which do not reflect the Corporation's core performance or where their separate presentation will assist users of the consolidated financial statements in understanding the Corporation's results for the period. Such items include, among others, the impact of restructuring charges, the impact of business disposal and significant impairment charges and reversals. |
| Free cash flow (usage) | Cash flows from operating activities less net additions to property, plant and equipment and intangible assets. |

The Corporation believes that providing certain non-GAAP financial measures in addition to IFRS measures provides users of the Corporation's Circular with enhanced understanding of the Corporation's results and related trends and increases the transparency and clarity of the core results of its business. For these reasons, a significant number of users of this Circular analyze the Corporation's results based on these financial measures. Adjusted EBIT exclude items that do not reflect the Corporation's core performance or where their exclusion will assist users in understanding the Corporation's results for the period. Bombardier believes these measures help users of this Circular to better analyze results, enabling better comparability of the Corporation's results from one period to another and with peers.

Non-GAAP financial measures are mainly derived from the Corporation's consolidated financial statements but do not have standardized meanings prescribed by IFRS. The exclusion of certain items from non-GAAP performance measures does not imply that these items are necessarily non-recurring. Other entities in the Corporation's industry may define the above measures differently than the Corporation does. In those cases, it may be difficult to compare the performance of those entities to the Corporation's based on these similarly-named non-GAAP measures.

Adjusted EBIT

Management uses Adjusted EBIT for purposes of evaluating underlying business performance. Management believes this non-GAAP earnings measure in addition to IFRS measures provides users of this Circular with enhanced understanding of the Corporation's results and related trends and increases the transparency and clarity of the core results of the Corporation's business. Adjusted EBIT excludes items that do not reflect the Corporation's core performance or where their exclusion will assist users in understanding the Corporation's results for the period. For these reasons, a significant number of users of this Circular analyze the Corporation's results based on these financial measures. Management believes these measures help users of this Circular to better analyze results, enabling better comparability of the Corporation's results from one period to another and with peers.

Free cash flow (usage)

Free cash flow is defined as cash flows from operating activities less net additions to property, plant and equipment and intangible assets. Management believes that this non-GAAP cash flow measure provides investors with an important perspective on the Corporation's generation of cash available for shareholders, debt repayment, and acquisitions after making the capital investments required to support ongoing business operations and long-term value creation. This non-GAAP cash flow measure does not represent the residual cash flow available for discretionary expenditures as it excludes certain mandatory expenditures such as repayment of maturing debt. Management uses free cash flow as a measure to assess both business performance and overall liquidity generation.

Reconciliations of (i) Adjusted EBIT to EBIT and (ii) free cash flow usage to cash flows from operating activities are provided in the following tables:

| Reconciliation of Cash flow from operating activities to Free cash flow (usage) | | 2020 (\$ million) |
|---|--|----------------------|
| Cash flows from operating activities | | |
| Continuing operations | | (1,672) |
| Discontinued operations | | (1,149) |
| | | (2,821) |
| Net additions to Property, plant and equipment and intangible assets | | |
| Continuing operations | | 221 |
| Discontinued operations | | 133 |
| | | 354 |
| Free cash flow (usage) | | |
| Continuing operations | | (1,893) |
| Discontinued operations | | (1,282) |
| | | (3,175) |

| Reconciliation of Adjusted EBIT to EBIT | | | | | | 2020 |
|---|--------------------------------|--------------------------|--|---------------------------|---|-----------------------|
| | Transportation (\$ million) | Aviation (\$ million) | Corporate and Others (\$ million) | Sub-total (\$ million) | Reclassification ⁽¹⁾ (\$ million) | Total (\$ million) |
| Adjusted EBIT | (610) | (125) | (86) | (821) | 610 | (211) |
| Special items | 48 | (1,062) | (61) | (1,115) | (8) | (1,123) |
| EBIT | (618) | 937 | (25) | 294 | 618 | 912 |

⁽¹⁾ Transportation was classified as discontinued operations as of December 31, 2020

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