

Form 51-102F3

Material Change Report

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

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

November 19, 2015.

Item 3 News Release

A press release was issued by Bombardier Inc. (**Bombardier** or the **Corporation**) on November 19, 2015.

Item 4 Summary of Material Change

All amounts in this report are in U.S. dollars unless otherwise indicated.

On November 19, 2015, Bombardier announced it had entered into a definitive agreement with Caisse de dépôt et placement du Québec (**CDPQ**) for a \$1.5 billion convertible share investment in Bombardier Transportation's newly-created holding company, Bombardier Transportation (Investment) UK Ltd (**BT Holdco**). Under the terms of the agreement, CDPQ will acquire shares of BT Holdco convertible into a 30% common equity stake of BT Holdco, subject to annual adjustments related to performance. The transaction concludes the review of financing options previously announced by the Corporation for Bombardier Transportation.

Item 5.1 Full Description of Material Change

All amounts in this report are in U.S. dollars unless otherwise indicated.

On November 19, 2015, Bombardier announced it had entered into a definitive agreement with CDPQ for a \$1.5 billion convertible share investment in Bombardier Transportation's newly-created holding company, BT Holdco. Under the terms of the agreement, CDPQ will acquire shares of BT Holdco convertible into a 30% common equity stake of BT Holdco, subject to annual adjustments related to performance. The transaction will be executed through a private placement and values Bombardier Transportation at \$5 billion. The investment has been approved by the Boards of Directors of Bombardier and CDPQ.

BT Holdco will own all of the assets of Bombardier's current Transportation business segment, with its operational headquarters remaining in Germany. It will be governed independently by a new Board to be composed of seven members, three of which will be named by CDPQ. Alain Bellemare will chair the Board. Dr. Lutz Bertling, President, Bombardier Transportation, will continue in his current role.

The transaction concludes the review of financing options previously announced by the Corporation for its rail business, which included the examination by the Board of Directors of the Corporation of a wide range of strategic options, including an initial public offering and a competitive international auction process for

the private placement of a minority stake. The funds to be received by BT Holdco from the transaction will be distributed to Bombardier and Bombardier intends to use the proceeds for general corporate purposes.

Under the terms of the transaction, CDPQ is entitled to:

- the higher of
 - the fair market value of its 30% stake in BT Holdco (on an as-converted basis),
 - or a minimum return of 9.5%,
 - both subject to the annual performance adjustments described below;
- in certain circumstances, based on the call option, the tag-along, drag-along and change of control rights, the higher of
 - if applicable, the third-party offer for its stake (on an as-converted basis),
 - or a minimum three-year 15% compounded annual return;
- at any time after three years after closing, if Bombardier buys back CDPQ's convertible shares, the higher of
 - the fair market value of its stake (on an as-converted basis),
 - or a minimum 15% compounded annual return; and
- voting rights (on an as-converted basis), being equal to 30% initially.

The terms of the transaction contemplate that for each of the first five years following the closing date, CDPQ's ownership (on conversion) and return may be subject to upward or downward annual adjustments, based on a performance target jointly agreed to as part of Bombardier Transportation's business plan.

If Bombardier Transportation outperforms its business plan, CDPQ's percentage of ownership on conversion of its shares decreases by 2.5% annually, down to a minimum threshold of 25%. In this circumstance, the convertible shares' minimum return also decreases from 9.5% to a floor of 7.5%.

Conversely, should Bombardier Transportation underperform relative to its plan, CDPQ's percentage of ownership on conversion of its shares will increase by 2.5% annually, up to a maximum of 42.5% over a five-year period. In this case, the convertible shares' minimum return also increases by 2.5% up to 12%.

The parties have agreed to a cash reserve threshold of at least \$1.25 billion, based on a jointly agreed upon formula. In the event Bombardier's cash reserves fall below that level, the Board of Bombardier will create a Special Initiatives Committee composed of three independent directors acceptable to CDPQ, and responsible to develop an action plan to restore cash reserves above the threshold. The implementation of the plan, once agreed with CDPQ, will be overseen by the Special Initiatives Committee.

In addition, with respect to the nomination of any new independent directors of Bombardier, Bombardier will work collaboratively with CDPQ and seek to obtain CDPQ's agreement on the final candidate(s) recommended to the Board. As part of the transaction, the Majority Holder (as defined in Bombardier's articles of amalgamation) of Bombardier has committed to fully support any action plan recommended by the Special Initiatives Committee and agreed to by CDPQ, as well as the new selection process for new independent directors of the Bombardier Board.

Other details of the transaction

Investment	\$1.5B investment through the issuance of voting shares of BT Holdco, convertible at the option of CDPQ, into common shares initially representing 30% of BT Holdco, subject to performance incentive adjustments.
Seniority	CDPQ's convertible shares are senior to BT Holdco common shares in right of payment.
Approval rights	<p>CDPQ's approval will be required for certain actions and governance matters of BT Holdco such as :</p> <ul style="list-style-type: none"> • annual consolidated budget and strategic plan; • CEO contract and compensation; • nomination of Chairman in case of change; • others, including equity incentive plans, dividends, repurchases, acquisitions, asset sales, issuance of debt or equity securities, material changes in the nature of business, material non-arm's length transactions, fundamental corporate changes and certain legal and financing actions. <p>CDPQ will benefit from these and other approval rights for as long as it holds at least a 10% interest in BT Holdco.</p>
Dividend rights	CDPQ is entitled to its pro-rata portion (on an as-converted basis, initially equal to 30% of BT Holdco common shares) of any future dividends declared. Dividends payable in cash or, subject to certain conditions, in additional convertible shares at the option of BT Holdco (any such issuance to increase CDPQ's participation).
Liquidity	CDPQ has a right to trigger an IPO or a sale of BT Holdco shares at any time after 5 years.
Call option	Bombardier has the ability to buy back CDPQ's equity interest in BT Holdco within specified terms at any time on or after three years, at the higher of the fair market value (on an as-converted basis), or a minimum three-year 15% compounded annual return (or at any time after three years, a 15% compounded annual return).
Right of first offer	If either CDPQ or Bombardier seek to sell their stake in BT Holdco, it will first offer the other party the opportunity to acquire its stake at a cash offer representing the minimum sale price for a period of time.
Tag-along rights	If Bombardier seeks to sell all its equity interest in BT Holdco, CDPQ can require that its interest be sold for a consideration equal to the higher of the cash consideration under the third-party offer, or a minimum three-year 15% compounded annual return (or at any time after three years, a 15% compounded annual return).
Drag-along rights	If Bombardier seeks to sell all its equity interest in BT Holdco, it can require CDPQ to sell its interest provided that the cash consideration received by CDPQ must be equal to the higher of the cash consideration under the third-party offer, or a minimum three-year 15% compounded annual return (or at any time after three years, a 15% compounded annual return).

Change of control	Upon a change of control of Bombardier or, in certain circumstances, of BT Holdco, CDPQ has the right to require an IPO or a sale of BT Holdco shares and will receive the higher of the value of the common shares held by CDPQ on an as-converted basis, based on the implied value of the IPO or sale to a third party, as the case may be, or a minimum three-year 15% compounded annual return (or at any time after three years, a 15% compounded annual return).
Information	CDPQ is entitled to information relevant to Bombardier Transportation operations, financials and relationship with Bombardier.
Closing conditions	Subject to customary conditions precedent, including regulatory approvals, completion of the corporate reorganization and execution of the definitive ancillary documentation. Closing is expected to occur during the first quarter of 2016.
Financial results	BT Holdco's results will continue to be consolidated in Bombardier's financial results.
Warrants	<p>The investment comprises the issuance by Bombardier to CDPQ of warrants exercisable for a total number of 105,851,872 Class B shares (subordinate voting) in the capital of Bombardier (Class B Shares), equivalent to a 4.5% ownership of all outstanding Class A shares (multiple voting) in the capital of Bombardier (Class A Shares) and Class B Shares (after giving effect to the exercise of such warrants) (and approximately 4.7% of the aggregate outstanding Class A Shares and Class B Shares on a non-diluted basis). The warrants will be exercisable for a period of seven years at an exercise price per Class B share equal to \$1.66, the U.S. dollar equivalent of \$2.21 CDN at the date of execution of the subscription agreement, which represents a premium to the 5-day VWAP of the Class B Shares on the Toronto Stock Exchange (TSX) as of October 16, 2015. The TSX has determined to accept notice of the private placement of warrants and has conditionally approved the listing of the Class B Shares issuable pursuant to the terms of the warrants on the TSX. Listing will be subject to Bombardier fulfilling all of the listing requirements of the TSX. The warrants will not be listed on the TSX, and will contain market standard adjustment provisions, including in the event of corporate changes, stock splits, non-cash dividends, distributions of rights, options or warrants to all or substantially all shareholders or consolidations.</p> <p>Security holder approval is required under TSX rules due to the fact that the warrants will be issued later than 45 days from the date upon which the exercise price was established, as set out in Section 607(f)(i) of the TSX Company Manual. Such approval has been obtained, as agreed with the TSX, by way of written consent of shareholders holding more than 50% of the voting rights attached to all of Bombardier's issued and outstanding shares.</p> <p>The investment was negotiated between Bombardier and CDPQ at arm's length and will not materially affect control of Bombardier.</p>

This report does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction nor will there be any sale of these securities in any province, state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such province, state or jurisdiction. This report does not constitute an offer to sell or the solicitation to buy securities in the United States. The securities mentioned herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Forward-looking statements

This report includes forward-looking statements, which may involve, but are not limited to: statements with respect to Bombardier's objectives, guidance, targets, goals, priorities, market and strategies, financial position, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; expected growth in demand for products and services; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; competitive position; and the expected impact of the legislative and regulatory environment and legal proceedings on Bombardier's business and operations; Bombardier's available liquidities and Bombardier's ongoing review of strategic and financial alternatives, the completion of the transaction with CDPQ and the use of proceeds therefrom; the impact and expected benefits of the transaction with CDPQ on Bombardier's operations, infrastructure, opportunities, financial condition, access to capital and overall strategy; the capital and governance structure of BT Holdco following the transaction with CDPQ; statements regarding the growth potential of the rail industry and Bombardier Transportation's business fundamentals; the statement that the transaction with CDPQ will crystallize the value of Bombardier Transportation and strengthen Bombardier's financial position, with no increase in debt; the stated objective of leveraging Bombardier Transportation's innovative portfolio of products and services, engineering talent and worldwide presence to drive margin expansion; statements regarding Bombardier Transportation's potential for growth and strong cash generation potential and progress; statements regarding management's focus of creating more value at Bombardier Transportation and improving performance of Bombardier Transportation; the goal of the structure of the investment of delivering double-digit returns; statements regarding Bombardier's financial stability and cash reserve threshold; the receipt of required third party, regulatory and other approvals; and the anticipated timing thereof. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "anticipate", "plan", "foresee", "believe", "continue", "maintain" or "align", the negative of these terms, variations of them or similar terminology. By their nature, forward-looking statements require management to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause actual results in future periods to differ materially from those forecasted. While management considers these assumptions to be reasonable and appropriate based on information currently available, there is risk that they may not be accurate. Certain important assumptions by management in making forward-looking statements include, but are not limited to: the completion of the corporate reorganization to form BT Holdco; the satisfaction of all conditions to the completion of the transaction with CDPQ; the receipt of required third party, regulatory and other approvals, and Bombardier's ability to consummate the transaction with CDPQ. For additional information with respect to the assumptions underlying the forward-looking statements made in this report, refer to the respective Guidance and forward-looking statements sections in Aerospace and in Transportation in the Management's Discussion and Analysis (MD&A) of Bombardier's financial report for the fiscal year ended December 31, 2014.

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 Bombardier's business environment (such as risks associated with the financial condition of the airline industry and rail industry, political instability and force majeure), operational risks (such as risks related to developing new products and services; fixed-price commitments and production and project execution; doing business with partners; product performance warranty and casualty claim losses; regulatory and legal proceedings; the environment; dependence on certain customers and suppliers; human resources), financing risks (such as risks related to liquidity and access to capital markets,

retirement benefit plan risk, exposure to credit risk, certain restrictive debt covenants, financing support provided for the benefit of certain customers and reliance on government support); the conditions to completion of the transaction with CDPQ not being satisfied; failure to receive third party, regulatory and other approvals; changes in the terms of the transaction with CDPQ; and market risks (such as risks related to foreign currency fluctuations, changing interest rates, decreases in residual values and increases in commodity prices). For more details, see the Risks and uncertainties section in Other in the MD&A of Bombardier's financial report for the fiscal year ended December 31, 2014. Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. The forward-looking statements set forth herein reflect management's expectations as at the date of this report and are subject to change after such date. Unless otherwise required by applicable securities laws, Bombardier expressly disclaims any intention, and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For any inquiries with respect to this material change report, please contact Isabelle Rondeau, Director, Communications at (514) 861-9481.

Item 9 Date of Report

November 25, 2015.