

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus supplement, together with the short form base shelf prospectus dated February 18, 2015 to which it relates, as amended or supplemented, and each document incorporated by reference in the short form base shelf prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

These securities have not been and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or the securities laws of any state of the United States of America and may not be offered, sold or delivered, directly or indirectly, within the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act), except in certain transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States.

Information has been incorporated by reference in this prospectus supplement and the short form base shelf prospectus dated February 18, 2015 from documents filed with securities commissions or similar authorities in Canada. See “Documents Incorporated by Reference”. Copies of the documents incorporated herein or therein by reference may be obtained on request without charge from the Secretary of the Corporation at 800 René-Lévesque Boulevard West, Montréal, Québec H3B 1Y8 (Telephone: 514-861-9481), and are also available electronically at www.sedar.com.

PROSPECTUS SUPPLEMENT

(To the Short Form Base Shelf Prospectus dated February 18, 2015)

New Issue

February 20, 2015

BOMBARDIER

Cdn\$937,501,890

**424,209,000 Subscription Receipts, each representing the right to
receive
one Class B Share (Subordinate Voting)**

Bombardier Inc. (“**we**”, “**us**”, “**Bombardier**” or the “**Corporation**”) is hereby qualifying for distribution (the “**Offering**”) 424,209,000 subscription receipts at a price of Cdn\$2.21 per subscription receipt (“**Subscription Receipt**”). If the Over-Allotment Option (as defined below) is exercised in full, an additional 63,631,350 Subscription Receipts or 63,631,350 Class B Subordinate Voting Shares (as defined below), as applicable, will be offered by the Corporation. The Offering is being underwritten by National Bank Financial Inc. (“**NBF**”), UBS Securities Canada Inc. (“**UBS**”), CIBC World Markets Inc. (“**CIBC**”) and Citigroup Global Markets Canada Inc. (“**Citi**”) (the “**Joint Bookrunners**”) and Scotia Capital Inc. (“**Scotia**”), Merrill Lynch Canada Inc. (“**Merrill**”), Credit Suisse Securities (Canada), Inc. (“**CS**”) and Desjardins Securities Inc. (“**Desjardins**”) (collectively with the Joint Bookrunners, the “**Underwriters**”).

Each Subscription Receipt will entitle the holder thereof to receive, if the Escrow Release Conditions (as defined below) are satisfied prior to the occurrence of a Termination Event (as defined below) and without payment of additional consideration or further action, one Class B share (subordinate voting) of the Corporation (a “**Class B Subordinate Voting Share**”) (subject to customary adjustments in certain circumstances). See “Description of the Subscription Receipts”.

The net proceeds from the Offering, after deducting the Underwriters’ Fee (as defined below) and the expenses of the Offering payable by the Corporation, will be approximately Cdn\$900,501,814, assuming no exercise of the Over-Allotment Option. Upon release of the Escrowed Funds (as defined below), the net proceeds of the Offering will be applied to supplement the Corporation’s working capital and be used for general corporate purposes. See “Use of Proceeds”.

The gross proceeds from the Offering, less 50% of the Underwriters’ Fee (the “**Escrowed Funds**”), and all interest and other income thereon, will be held by Computershare Trust Company of Canada, as subscription receipt agent (the “**Subscription Receipt Agent**”), and invested in short-term interest bearing or discount debt obligations issued or guaranteed by the Government of Canada, or obligations

of, or guaranteed by, a Canadian chartered bank (the “**Short-Term Investments**”), provided that the Short-Term Investments are qualified investments within the meaning of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “**Tax Act**”) for a trust governed by a Registered Plan (as defined below) and are approved in writing by the Corporation and the Joint Bookrunners, pending the earlier of the satisfaction of the Escrow Release Conditions and the Termination Date (as defined below).

If the Escrow Release Conditions are satisfied before the occurrence of a Termination Event (as defined below), holders of Subscription Receipts will be entitled to receive, without payment of additional consideration or further action, one Class B Subordinate Voting Share for each Subscription Receipt (subject to customary adjustments in certain circumstances). Upon the satisfaction of the Escrow Release Conditions, the Escrowed Funds, together with the Earned Interest (if any) (as defined below), less 50% of the Underwriters’ Fee, will be released to the Corporation and 50% of the Underwriters’ Fee will be remitted to the Joint Bookrunners for the benefit of the Underwriters. For purposes of this Prospectus Supplement, “**Earned Interest**” means an amount equal to interest and other income actually earned on the investment of the Escrowed Funds from, and including, the date of the Offering Closing to, but excluding, the date on which the Escrow Release Conditions are satisfied or the Termination Date, as applicable.

If (i) the Escrow Release Conditions are not satisfied on or before 5:00 p.m. (Montreal time) on April 30, 2015, or (ii) the Corporation delivers notice to the Underwriters or announces to the public that it did not obtain shareholder approval for the Amendment (as defined below) to its Articles (as defined below) to increase the number of Class A Shares and Class B Subordinate Voting Shares which it is authorized to issue from 1,892,000,000 to 2,742,000,000 (each of (i) or (ii), a “**Termination Event**”, and the date upon which such event occurs the “**Termination Date**”), holders of the Subscription Receipts shall, commencing on the third (3rd) business day following the Termination Date, be entitled to receive from the Subscription Receipt Agent an amount equal to the full subscription price therefor plus their *pro rata* share of the Earned Interest, and their *pro rata* share of an amount equal to the interest and other income that would have otherwise been earned on the 50% of the Underwriters’ Fee paid to the Underwriters if such fee had been held in escrow as part of the Escrowed Funds and not paid to the Underwriters on the date of the Offering Closing (the “**Deemed Interest**”), less applicable withholding taxes, if any. Because 50% of the Underwriters’ Fee will be paid by the Corporation to the Underwriters on the date of the Offering Closing, such amount will not form part of the Escrowed Funds. Therefore, the aggregate amount that holders of the Subscription Receipts shall be entitled to receive from the Subscription Receipt Agent in the event that the Escrow Release Conditions are not satisfied prior to the occurrence of a Termination Event will be greater than the aggregate amount of the Escrowed Funds. In the event that the gross proceeds of the Offering are required to be remitted to purchasers of the Subscription Receipts, the Corporation will pay the Subscription Receipt Agent an amount equal to 50% of the Underwriters’ Fee plus the Deemed Interest such that 100% of the gross proceeds of the Offering, plus the Earned Interest and the Deemed Interest, would be delivered to purchasers of the Subscription Receipts.

The Subscription Receipts offered hereby and the Class B Subordinate Voting Shares underlying the Subscription Receipts will be eligible for investment under certain statutes as set out under “Eligibility for Investment”. See “**Risk Factors**” for certain considerations relevant to an investment in the Class B Subordinate Voting Shares and in the Subscription Receipts.

There is currently no market through which the Subscription Receipts may be sold and investors may not be able to resell the Subscription Receipts purchased under this Prospectus Supplement. This may affect the pricing of the Subscription Receipts in the secondary market, the transparency and availability of trading prices, the liquidity of the Subscription Receipts and the extent of issuer regulation. See “Risk Factors”.

The outstanding Class B Subordinate Voting Shares of Bombardier are listed for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol BBD.B. On February 18, 2015, the last trading day prior to the public announcement of the Offering, the closing price of the Class B Subordinate Voting Shares of Bombardier was Cdn\$2.52 on the TSX. The Corporation has applied to list the Subscription Receipts and the Class B Subordinate Voting Shares issuable pursuant to the terms of the Subscription Receipts on the TSX. Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSX.

Price: Cdn\$2.21 per Subscription Receipt

	Price to the Public	Underwriters' Fee⁽¹⁾	Net Proceeds to the Corporation⁽²⁾
Per Subscription Receipt.....	Cdn\$2.21	Cdn\$0.0884	Cdn\$2.1216
Total Subscription Receipts ⁽³⁾	Cdn\$937,501,890	Cdn\$35,000,076	Cdn\$902,501,814

- (1) One half of the Underwriters' Fee is payable upon the Offering Closing and the other half is payable only upon satisfaction of the Escrow Release Conditions. If the Escrow Release Conditions are not satisfied before the occurrence of a Termination Event, the Underwriters' Fee will be reduced to the amount paid upon the Offering Closing. This amount represents Underwriters' Fee payable with respect to Subscription Receipts sold to the public. No Underwriters' Fee is payable with respect to the orders placed by the Principal Shareholders (as defined below) in an aggregate amount of Cdn\$62.5 million (approximately US\$50 million). The net proceeds to the Corporation per Subscription Receipt for Subscription Receipts sold to the Principal Shareholders is Cdn\$2.21.
- (2) Exclusive of the expenses of the Offering, which are estimated to be approximately Cdn\$2 million and any Earned Interest.
- (3) The Corporation has granted the Underwriters an Over-Allotment Option, exercisable in whole or in part at any time not later than the earlier of (i) the 30th day following the date of the Offering Closing and (ii) the occurrence of a Termination Event, to purchase up to an additional 63,631,350 Subscription Receipts, representing 15% of the Subscription Receipts under the Offering, on the same terms and conditions of the Offering, to cover over-allocations, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the "Price to the Public", the "Underwriters' Fee" and the "Net Proceeds to the Corporation" will be Cdn\$1,078,127,174, Cdn\$40,625,087 and Cdn\$1,037,502,087, respectively. In the event the Over-Allotment Option is exercised following the satisfaction of the Escrow Release Conditions, the Corporation shall issue the same number of Class B Subordinate Voting Shares in lieu of Subscription Receipts. This Prospectus Supplement also qualifies the grant of the Over-Allotment Option and the distribution of the Subscription Receipts or Class B Subordinate Voting Shares, as applicable, offered upon the exercise of the Over-Allotment Option. A purchaser who acquires Subscription Receipts or Class B Subordinate Voting Shares, as applicable, forming part of the Underwriters' over-allocation position acquires such Subscription Receipts or Class B Subordinate Voting Shares, as applicable, under this Prospectus Supplement regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

The following table sets forth the number of Subscription Receipts or Class B Subordinate Voting Shares, as applicable, which may be offered by the Corporation pursuant to the Over-Allotment Option:

Underwriters' Position	Maximum size or number of securities held	Exercise period	Exercise price
Over-Allotment Option	Option to purchase up to 63,631,350 Subscription Receipts or Class B Subordinate Voting Shares, as applicable	Commencing on the date of the Offering Closing and ending not later than the earlier of (i) the 30 th day following the Offering Closing and (ii) the occurrence of a Termination Event	Cdn\$2.21 per Subscription Receipt or Class B Subordinate Voting Shares, as applicable

The Underwriters, as principals, conditionally offer the Subscription Receipts qualified under this Prospectus Supplement, subject to prior sale, if, as and when issued by the Corporation and delivered to and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to approval of certain legal matters on behalf of the Corporation by Norton Rose Fulbright Canada LLP, and on behalf of the Underwriters by Stikeman Elliott LLP. See "Plan of Distribution"

An investment in Subscription Receipts involves certain risks. Prospective investors should carefully consider the risk factors described in and incorporated by reference into this Prospectus Supplement. See “Caution Regarding Forward-Looking Statements” and “Risk Factors”.

Subject to applicable laws, in connection with the Offering, the Underwriters may over-allot or effect transactions intended to stabilize or maintain the market price of the Subscription Receipts at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”. **After the Underwriters have made reasonable efforts to sell the Subscription Receipts at the offering price referred to above, the Underwriters may offer the Subscription Receipts offered under this Prospectus Supplement to the public at prices lower than the offering price referred to above. Any such reduction will not affect the proceeds received by the Corporation. See “Plan of Distribution”.**

Subscriptions for Subscription Receipts will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. One or more global certificates representing the aggregate number of Subscription Receipts issued pursuant to the Offering will be issued in registered form to CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and held by, or on behalf of, CDS, as depository of the Subscription Receipt certificates for the participants of CDS. Alternatively, the Subscription Receipts will be issued and deposited in electronic form with CDS or its nominee pursuant to the book-based system administered by CDS. In either such case, a purchaser of Subscription Receipts will receive only a client confirmation from the registered dealer from or through whom Subscription Receipts are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Subscription Receipts on behalf of owners who have purchased them in accordance with the book-based system. No certificates will be issued to purchasers of Subscription Receipts.

Closing of the Offering (the “**Offering Closing**”) is expected to occur on February 27, 2015, or such other date as the Corporation and the Underwriters may agree, but in any event not later than March 21, 2015.

Prospective investors should be aware that the purchase of Subscription Receipts may have tax consequences. This Prospectus Supplement may not describe these tax consequences fully. Prospective investors should read the tax discussion in this Prospectus Supplement and consult with a tax advisor. See “Certain Canadian Federal Income Tax Considerations”.

NBF, UBS, CIBC, Citi, Scotia, Merrill, CS and Desjardins are affiliates of financial institutions that are members of syndicates of lenders that have made credit facilities available to the Corporation or its subsidiaries. Accordingly, under applicable securities laws, the Corporation may be considered a “connected issuer” of such Underwriters. See “Relationship Between the Corporation and the Underwriters”.

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PRESENTATION OF INFORMATION

In this prospectus supplement (the “**Prospectus Supplement**”), unless otherwise indicated, capitalized terms which are defined in the accompanying short form base shelf prospectus of the Corporation dated February 18, 2015 (the “**Prospectus**”) are used herein with the meaning defined therein. If information in this Prospectus Supplement is inconsistent with the accompanying Prospectus, investors should rely on the information in this Prospectus Supplement. In this Prospectus Supplement and in the documents incorporated by reference herein (including, without limitation, subsequently filed documents deemed to be incorporated by reference), references to United States dollars, US\$ or \$ are to the currency of the United States, references to Canadian dollars or Cdn\$ are to the currency of Canada and references to euros or € are to the currency of the euro area.

CURRENCY AND EXCHANGE RATE INFORMATION

On February 20, 2015, the noon buying rate as reported by the Bank of Canada was US\$1.00 = Cdn\$1.2506 or Cdn\$1.00 = US\$0.7996.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein contain forward looking information (as defined in National Instrument 51-102—*Continuous Disclosure Obligations*) (collectively referred to herein as “**forward-looking information**” or “**forward-looking statements**”).

Forward-looking statements include, but are not limited to: statements with respect to the Corporation’s objectives, guidance, targets, goals, priorities, its market and strategies, financial position, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; expected growth in demand for products and services; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; the Corporation’s competitive position; the expected impact of the

legislative and regulatory environment and legal proceedings on the Corporation's business and operations; the Corporation's available liquidities and the Corporation's capital raising plan; the completion of the Offering and release of the proceeds therefrom; the receipt of required regulatory and other approvals, including Shareholder Approval; and the anticipated timing of the Shareholders Meeting. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "anticipate", "plan", "foresee", "believe", "continue", "maintain" or "align", the negative of these terms, variations of them or similar terminology.

By their nature, forward-looking statements require the Corporation to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause the Corporation's actual results in future periods to differ materially from forecasted results. While the Corporation considers its assumptions to be reasonable and appropriate based on information currently available, there is a risk that they may not be accurate. Certain important assumptions by the Corporation or its consultants in making forward-looking statements include, but are not limited to: the satisfaction of the Escrow Release Conditions; the satisfaction of all conditions to the completion of the Offering; and the successful completion of the Offering. For additional information with respect to the assumptions underlying the forward-looking statements made in this Prospectus Supplement, refer to the respective "Guidance and forward-looking statements" sections in the "Overview", "Bombardier Aerospace" and "Bombardier Transportation" sections in the 2014 MD&A, incorporated by reference herein.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: risks associated with general economic conditions; risks associated with the Corporation's business environment (such as risks associated with the financial condition of the airline industry and major rail operators); operational risks (such as risks related to developing new products and services; doing business with partners; product performance warranty and casualty claim losses; regulatory and legal proceedings; the environment; dependence on certain customers and suppliers; human resources; fixed price commitments and production and project execution); risks relating to the Corporation's ability to implement its capital raising plan and mitigate potential liquidity underperformance; financing risks (such as risks related to liquidity and access to capital markets, exposure to credit risk, certain restrictive debt covenants, financing support provided for the benefit of certain customers and reliance on government support); the Escrow Release Conditions not being satisfied; failure to receive regulatory approvals (including stock exchange) or other approvals or otherwise satisfy the conditions to the completion of the Offering; changes in the terms of the Offering; the funds of the Offering not being available to the Corporation; and market risks (such as risks related to foreign currency fluctuations, changing interest rates, decreases in residual value and increases in commodity prices). For more details, see the "Risks and Uncertainties" section in the 2014 MD&A, incorporated by reference herein. Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. The forward-looking statements set forth herein reflect the Corporation's expectations as at the date of this Prospectus Supplement 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 Prospectus Supplement are expressly qualified by this cautionary statement.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference, as of the date hereof, into the Prospectus solely for the purpose of this Offering. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars thereof. The following documents have been filed by Bombardier with the securities commissions or similar authorities in each province of Canada and are incorporated by reference into the Prospectus and this Prospectus Supplement:

- the template version of the term sheet (the “**Term Sheet**”) prepared for potential investors in connection with this Offering dated February 19, 2015, and filed on SEDAR by the Corporation on February 19, 2015; and
- the template version of the revised term sheet (the “**Revised Term Sheet**”) prepared for potential investors in connection with this Offering dated February 20, 2015, and filed on SEDAR by the Corporation on February 20, 2015.

Any documents of the types referred to in the preceding paragraphs, any business acquisition reports, any material change reports (excluding confidential material change reports, if any), any marketing materials (as defined in National Instrument 41-101—*General Prospectus Requirements*) or any news releases issued by the Corporation that specifically states that it is to be incorporated by reference into this Prospectus Supplement and any other documents as may be required to be incorporated by reference herein under applicable Canadian securities laws which are filed by the Corporation with the securities regulatory authorities in Canada after the date of this Prospectus Supplement and prior to the completion or withdrawal of the distribution of the Subscription Receipts, shall be deemed to be incorporated by reference into the Prospectus and this Prospectus Supplement.

Any statement in this Prospectus Supplement, the Prospectus or contained in a document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or in the Prospectus is deemed to be modified or superseded, for purposes of this Prospectus Supplement or of the Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement or the Prospectus.

MARKETING MATERIALS

The Term Sheet and the Revised Term Sheet represent marketing materials for purposes of applicable securities legislation. The Term Sheet and the Revised Term Sheet do not form part of this Prospectus Supplement to the extent that the contents of the Term Sheet or the Revised Term Sheet have been modified or superseded by a statement contained in this Prospectus Supplement.

Statements included in the Term Sheet have been modified in view of disclosure contained in this Prospectus Supplement, mainly to reflect the upsize of the Offering and the increased total number of Subscription Receipts offered. The foregoing summary of modifications is not exhaustive and is qualified by the information contained in the Revised Term Sheet which has been filed with the securities regulatory authorities of each of the provinces of Canada and can be viewed under the Corporation’s profile at www.sedar.com. The Revised Term Sheet has also been incorporated by reference in this Prospectus Supplement.

Any “template version” of “marketing materials” (as such terms are defined in National Instrument 41-101—*General Prospectus Requirements*) filed on SEDAR after the date of this Prospectus Supplement and before the termination of the distribution under this Offering will be deemed to be incorporated into this Prospectus Supplement.

ELIGIBILITY FOR INVESTMENT

In the opinion of Norton Rose Fulbright Canada LLP and Stikeman Elliott LLP, based on the provisions of the Tax Act in force as of the date hereof, the Subscription Receipts and the Class B

Subordinate Voting Shares issuable pursuant to the terms of the Subscription Receipts (together, the **“Offered Securities”**) will each be a qualified investment under the Tax Act at the time of their acquisition by a trust governed by a registered retirement savings plan (a **“RRSP”**), registered retirement income fund (a **“RRIF”**), registered education savings plan, a registered disability savings plan, a deferred profit sharing plan and a tax-free savings account (a **“TFSA”**, and each a **“Registered Plan”**), provided that, at the time of their acquisition by the Registered Plan, the Offered Securities are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSX) at that time.

Notwithstanding that the Offered Securities may be a qualified investment for a trust governed by a TFSA, RRSP or RRIF, the holder of a TFSA or an annuitant of a RRSP or RRIF, as the case may be, will be subject to a penalty tax in respect of such Offered Securities held in the TFSA, RRSP or RRIF, if such Offered Securities are a “prohibited investment” (within the meaning of the Tax Act) for the TFSA, RRSP or RRIF. The Offered Securities will generally not be a “prohibited investment” for a trust governed by a TFSA, RRSP or RRIF unless the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable, (i) does not deal at arm’s length with the Corporation for purposes of the Tax Act, or (ii) has a “significant interest” (as defined in the Tax Act) in the Corporation. In addition, Class B Subordinate Voting Shares will generally not be a “prohibited investment” if Class B Subordinate Voting Shares are “excluded property” for this purpose. Prospective investors who intend to hold the Offered Securities in their TFSAs, RRSPs or RRIFs should consult their own tax advisors regarding their particular circumstances.

PROSPECTUS SUPPLEMENT SUMMARY

The following summary highlights selected information included elsewhere in this Prospectus Supplement to help you understand the Offering. This summary does not contain all of the information that you should consider before investing in the Subscription Receipts. Before investing in the Subscription Receipts, you should read carefully this entire Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein.

Offering: 424,209,000 Subscription Receipts (487,840,350 Subscription Receipts, or Class B Subordinate Voting Shares, as applicable, assuming full exercise of the Over-Allotment Option).

Gross Proceeds of the Offering: Cdn\$937,501,890 (Cdn\$1,078,127,174 assuming full exercise of the Over-Allotment Option).

Use of Proceeds: The estimated net proceeds from the Offering, after deducting the Underwriters' Fee, and expenses of the Offering (estimated to be approximately Cdn\$2 million) will be approximately Cdn\$900,501,814, assuming no exercise of the Over-Allotment Option. The net proceeds of the Offering will be applied to supplement the Corporation's working capital and will be used for general corporate purposes. See "Use of Proceeds".

If the Over-Allotment Option is exercised in full, the additional net proceeds to the Corporation, after deducting the Underwriters' Fee, will be approximately Cdn\$135,000,272. In the event that all or part of the Over-Allotment Option is exercised, the additional proceeds received from the exercise of such option will be applied to supplement the Corporation's working capital and will be used for general corporate purposes. The proceeds received from the Offering (and from the Over-Allotment Option, if exercised) will be held in escrow until the satisfaction of the Escrow Release Conditions. See "Description of the Subscription Receipts".

Participation by the Principal Shareholders As part of this Offering, the Principal Shareholders have confirmed to the Corporation that they will, directly or through corporations controlled by them, purchase Subscription Receipts offered under this Prospectus Supplement for an aggregate investment amount equal to Cdn\$62.5 million (approximately US\$50 million).

Listing and Trading: The Corporation has applied to list the Subscription Receipts and the Class B Subordinate Voting Shares issuable pursuant to the terms of the Subscription Receipts on the TSX. Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSX.

Offering Closing Date: On or about February 27, 2015.

Investment of Escrowed Funds: The Escrowed Funds will be held by the Subscription Receipt Agent and invested in short-term interest bearing or discount debt obligations of, or guaranteed by, the Government of Canada, or obligations of, or guaranteed by, a Canadian chartered bank, as directed in writing by the Corporation and the Joint Bookrunners.

Release of Escrowed If the Escrow Release Conditions are satisfied prior to the occurrence of a

Funds:

Termination Event, holders of Subscription Receipts will be entitled to receive, without payment of additional consideration or further action, one Class B Subordinate Voting Share for each Subscription Receipt (subject to customary adjustments in certain circumstances). Upon the satisfaction of the Escrow Release Conditions, the Escrowed Funds, together with the Earned Interest (if any), less 50% of the Underwriters' Fee, will be released to the Corporation and 50% of the Underwriters' Fee will be remitted to the Joint Bookrunners on behalf of the Underwriters.

In the event that the Escrow Release Conditions are not satisfied prior to the occurrence of a Termination Event, holders of the Subscription Receipts shall, commencing on the third (3rd) business day following the Termination Date, be entitled to receive from the Subscription Receipt Agent an amount equal to their full subscription price therefor plus their *pro rata* share of the Earned Interest and the Deemed Interest, less applicable withholding taxes, if any. Because 50% of the Underwriters' Fee will be paid by the Corporation to the Underwriters on the date of the Offering Closing, such amount will not form part of the Escrowed Funds. Therefore, the aggregate amount that holders of the Subscription Receipts shall be entitled to receive from the Subscription Receipt Agent in the event that the Escrow Release Conditions are not satisfied prior to the occurrence of a Termination Event will be greater than the aggregate amount of the Escrowed Funds. In the event that the gross proceeds of the Offering are required to be remitted to purchasers of the Subscription Receipts, the Corporation has undertaken to pay the Subscription Receipt Agent an amount equal to 50% of the Underwriters' Fee plus the Deemed Interest such that 100% of the gross proceeds of the Offering, plus the Earned Interest and the Deemed Interest, would be delivered to purchasers of the Subscription Receipts.

DESCRIPTION OF THE SUBSCRIPTION RECEIPTS

General

The following is a summary of the material attributes and characteristics of the Subscription Receipts. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the subscription receipt agreement to be dated as of the date of the Offering Closing (the “**Subscription Receipt Agreement**”). The Subscription Receipt Agreement will be filed with the securities regulatory authorities in Canada on the Offering Closing. For a summary description of the rights, privileges, restrictions and conditions of the Class B Subordinate Voting Shares issuable pursuant to the terms of the Subscription Receipts, please see the Prospectus.

Escrow Release Conditions

Subscription Receipts will only be exchanged for Class B Subordinate Voting Shares upon the satisfaction of the following conditions (the “**Escrow Release Conditions**”): (i) the adoption of a resolution approving the proposed amendment (the “**Amendment**”) to the Corporation’s Articles of Amalgamation dated January 2, 2013 (the “**Articles**”), to increase the number of Class A Shares and Class B Subordinate Voting Shares which it is authorized to issue from 1,892,000,000 to 2,742,000,000, pursuant to the approval of 66⅔% of the votes cast by the holders of Class A Shares and Class B Subordinate Voting Shares, present or represented by proxy at a meeting of shareholders of the Corporation, voting together, and the issuance by the Director appointed under the CBCA of a certificate of amendment reflecting such increased authorized share capital in accordance with the requirements of the CBCA, and (ii) the delivery of a notice to that effect by the Corporation to the Subscription Receipt Agent.

Escrowed Funds

The Escrowed Funds will be delivered to and held by the Subscription Receipt Agent and invested in short-term obligations of, or guaranteed by, the Government of Canada, or obligations of, or guaranteed by, a Canadian chartered bank, as directed in writing by the Corporation and the Joint Bookrunners, pending the earlier of the satisfaction of the Escrow Release Conditions and the Termination Date.

Terms of Subscription Receipts

If the Escrow Release Conditions are satisfied prior to the occurrence of a Termination Event, (i) the Corporation shall forthwith deliver a certificate to the Joint Bookrunners, on behalf of the Underwriters, confirming that the Escrow Release Conditions have been satisfied, and (ii) the Corporation shall forthwith deliver a certificate addressed to the Subscription Receipt Agent confirming that the Escrow Release Conditions have been satisfied (the “**Release Certificate**”).

Upon receipt of the Release Certificate, the Subscription Receipt Agent will issue and deliver to the registered holders of the Subscription Receipts, without payment of additional consideration or further action, one Class B Subordinate Voting Share for each Subscription Receipt then outstanding (subject to customary adjustments in certain circumstances). Contemporaneously with the satisfaction of the Escrow Release Conditions, the Corporation will issue a press release disclosing that the Escrow Release Conditions have been satisfied and that the Class B Subordinate Voting Shares have been issued. As soon as practicable thereafter, the holders of Subscription Receipts will receive, without payment of additional consideration or further action, one Class B Subordinate Voting Share for each Subscription Receipt held (subject to customary adjustments in certain circumstances). Forthwith upon the satisfaction of the Escrow Release Conditions, the Escrowed Funds, less 50% of the Underwriters’ Fee, together with the Earned Interest (if any), will be released to the Corporation. 50% of the Underwriters’ Fee will concurrently be remitted by the Subscription Receipt Agent to the Joint Bookrunners on behalf of the Underwriters.

If the Escrow Release Conditions are not satisfied prior to the occurrence of a Termination Event, the Corporation will forthwith notify the Subscription Receipt Agent and the Underwriters, and promptly issue

a press release to that effect. If the Escrow Release Conditions are not satisfied prior to the occurrence of a Termination Event, the subscription evidenced by each Subscription Receipt will be automatically terminated and cancelled, and each Subscription Receipt will entitle the holder thereof to receive an amount equal to the full subscription price and its *pro rata* share of the Earned Interest and the Deemed Interest, less applicable withholding taxes, if any, within three business days of the Termination Date. Because 50% of the Underwriters' Fee will be paid by the Corporation to the Underwriters on the date of the Offering Closing, such amount will not form part of the Escrowed Funds. Therefore, the aggregate amount that holders of the Subscription Receipts shall be entitled to receive from the Subscription Receipt Agent in the event that the Escrow Release Conditions are not satisfied prior to the occurrence of a Termination Event will be greater than the aggregate amount of the Escrowed Funds. In the event that the gross proceeds of the Offering are required to be remitted to holders of the Subscription Receipts, the Corporation has undertaken to pay the Subscription Receipt Agent an amount equal to 50% of the Underwriters' Fee plus the Deemed Interest such that 100% of the gross proceeds of the Offering, plus the Earned Interest and the Deemed Interest, would be delivered to holders of the Subscription Receipts. See "Risk Factors – The Escrow Release Conditions may not be satisfied prior to the occurrence of a Termination Event".

In the event that, prior to the date of issue of a Class B Subordinate Voting Share in respect of a Subscription Receipt, there occurs a subdivision, consolidation, reclassification or other change of the Class B Subordinate Voting Shares or any reorganization, amalgamation, merger or sale of all or substantially all of the Corporation's assets, the Subscription Receipts will thereafter evidence the right of the holder to receive the securities, property or cash deliverable in exchange for or on the conversion of or in respect of the Class B Subordinate Voting Share to which the holder of a Class B Subordinate Voting Share would have been entitled immediately after such event. Similarly, any distribution to all or substantially all of the holders of Class B Subordinate Voting Shares of rights, options, warrants, evidences of indebtedness or assets will result in an adjustment in the number of Class B Subordinate Voting Shares to be issued to holders of Subscription Receipts. Alternatively, such securities, evidences of indebtedness or assets may, at the option of the Corporation, be issued to the Subscription Receipt Agent and delivered to holders of Subscription Receipts on exercise thereof. In the event that the Corporation, after the Offering Closing, takes any action affecting the Class B Subordinate Voting Shares, other than the actions described above, which, in the reasonable opinion of the directors of the Corporation, would materially affect the rights of the holders of Subscription Receipts and/or the rights attached to the Subscription Receipts, then the number of Class B Subordinate Voting Shares which are to be received pursuant to the Subscription Receipts shall be adjusted in such manner, if any, and at such time as the directors of the Corporation may, in their discretion, reasonably determine to be equitable to the holders of Subscription Receipts in such circumstances. The adjustments provided for in this paragraph are cumulative and shall apply to successive subdivisions, consolidations, changes, distributions, issues or other events resulting in any adjustment.

The Corporation may from time to time purchase, by private contract or otherwise, any of the Subscription Receipts.

Amendments, Modifications or Alterations

From time to time while the Subscription Receipts are outstanding, the Corporation, the Joint Bookrunners on behalf of the Underwriters, and the Subscription Receipt Agent, without the consent of the holders of the Subscription Receipts, may amend or supplement the Subscription Receipt Agreement for certain purposes, including making any change that does not prejudice the rights of the holders of Subscription Receipts. The Subscription Receipt Agreement provides for the making of other modifications and alterations thereto and to the Subscription Receipts issued thereunder by way of a special resolution. The term "special resolution" is defined in the Subscription Receipt Agreement to mean a resolution passed by the affirmative votes of the holders of not less than $66\frac{2}{3}\%$ of the number of outstanding Subscription Receipts represented and voting at a meeting of Subscription Receipt holders or an instrument or instruments in writing signed by the holders of not less than $66\frac{2}{3}\%$ of the number of outstanding Subscription Receipts.

Book-Entry, Delivery and Form of Subscription Receipts and Class B Subordinate Voting Shares

One or more global certificates representing the aggregate number of Subscription Receipts issued pursuant to the Offering will be issued in registered form to CDS or its nominee and held by, or on behalf of, CDS, as depository of the Subscription Receipt certificates for the participants of CDS. Alternatively, the Subscription Receipts will be issued and deposited in electronic form with CDS or its nominee pursuant to the book-based system administered by CDS. In either such case, a purchaser of Subscription Receipts will receive only a client confirmation from the registered dealer from or through whom Subscription Receipts are purchased and who is a CDS depository service participant in accordance with the practices and procedures of the registered dealer. CDS will record the CDS participants who hold Subscription Receipts on behalf of owners who have purchased them in accordance with the book-based system. No certificates will be issued to purchasers of Subscription Receipts. Registration of ownership and transfers of Subscription Receipts may be effected through the book-based system administered by CDS or its nominees (with respect to interests of participants of CDS) and on the records of participants of CDS (with respect to interests of persons other than participants of CDS). The ability of an owner of a beneficial interest in a Subscription Receipt to pledge such Subscription Receipt or otherwise take action with respect to such owner's interest in such Subscription Receipt (other than through a CDS participant) may be limited due to the lack of a physical certificate.

Neither the Corporation, the Subscription Receipt Agent nor the Underwriters will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Subscription Receipts held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Subscription Receipts; or (c) any advice or representation made by or with respect to CDS and those contained in this Prospectus Supplement and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its CDS participants. The rules governing CDS provide that it acts as the agent and depository for the CDS participants. As a result, CDS participants must look solely to CDS and persons, other than CDS participants, having an interest in the Subscription Receipts must look solely to CDS participants for payments made by or on behalf of the Corporation to CDS in respect of the Subscription Receipts.

The Class B Subordinate Voting Shares issued upon the exchange of the Subscription Receipts will be delivered electronically through non-certificated inventory ("**NCI**"). Not later than on the third Business Day following the date on which the Escrow Release Conditions are satisfied, the Corporation, via its transfer agent, will electronically deliver the Class B Subordinate Voting Shares registered to CDS or its nominee. Transfers of ownership of Class B Subordinate Voting Shares in Canada must be effected through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of shareholders who hold Class B Subordinate Voting Shares in CDS must be exercised through, and all payments or other property to which such shareholders are entitled, will be made or delivered by CDS or the CDS participant through which the shareholder holds such Class B Subordinate Voting Shares. A holder of a Class B Subordinate Voting Share participating in the NCI system will not be entitled to a certificate or other instrument from the Corporation or the Corporation's transfer agent evidencing that person's interest in or ownership of Class B Subordinate Voting Shares, nor, to the extent applicable, will such holder be shown on the records maintained by CDS, except through an agent who is a CDS participant. The ability of a beneficial owner of Class B Subordinate Voting Shares to pledge such Class B Subordinate Voting Shares or otherwise take action with respect to such owner's interest in such Class B Subordinate Voting Shares (other than through a CDS participant) may be limited due to the lack of a physical certificate.

Holders of Subscription Receipts are Not Shareholders

Holders of Subscription Receipts are not, as such, shareholders of the Corporation and will not have any voting or pre-emptive rights or other rights as shareholders, including any direct or indirect entitlement whatsoever relating to or arising from any dividends declared or paid on the Class B Subordinate Voting Shares prior to the satisfaction of the Escrow Release Conditions. From and after the date the Escrow Release Conditions are satisfied, the former holders of Subscription Receipts will be entitled as holders of

Class B Subordinate Voting Shares to receive dividends declared by the Corporation, if any, to vote and to all other rights available to holders of Class B Subordinate Voting Shares.

PRICE RANGE AND TRADING VOLUME

The Class B Subordinate Voting Shares are listed and posted for trading on the TSX under the trading symbol "BBD.B". The following table shows the monthly ranges of intra-day high and low prices per Class B Subordinate Voting Share at the close of market as well as total monthly volumes traded on the TSX during the specified periods.

Month	Volume	High	Low
January 2014	204,715,240	Cdn\$4.68	Cdn\$3.81
February 2014	159,338,971	Cdn\$4.24	Cdn\$3.44
March 2014	130,094,480	Cdn\$4.22	Cdn\$3.54
April 2014	152,286,582	Cdn\$4.43	Cdn\$3.97
May 2014	197,332,919	Cdn\$4.22	Cdn\$3.54
June 2014	88,923,184	Cdn\$3.97	Cdn\$3.61
July 2014	103,091,890	Cdn\$3.89	Cdn\$3.58
August 2014	58,603,437	Cdn\$3.88	Cdn\$3.66
September 2014	96,375,053	Cdn\$3.80	Cdn\$3.42
October 2014	124,710,813	Cdn\$3.95	Cdn\$3.41
November 2014	107,353,179	Cdn\$4.42	Cdn\$3.72
December 2014	99,643,463	Cdn\$4.43	Cdn\$3.86
January 2015	295,395,133	Cdn\$4.24	Cdn\$2.53
February 2015 (up to February 19)	144,665,087	Cdn\$3.05	Cdn\$2.47

On February 18, 2015, being the last trading day before the announcement of the Offering, the closing price per Class B Subordinate Voting Share on the TSX was Cdn\$2.52.

PRIOR SALES

Other than as described in the Prospectus and in the documents incorporated by reference therein and herein, the Corporation has not issued any Class B Subordinate Voting Shares or any securities that are convertible into or exercisable for Class B Subordinate Voting Shares during the 12-month period before the date hereof.

USE OF PROCEEDS

The net proceeds from the Offering, after deducting the Underwriters' Fee and the expenses of the Offering payable by the Corporation, will be approximately Cdn\$900,501,814, assuming no exercise of the Over-Allotment Option. Upon release of the Escrowed Funds, the net proceeds of the Offering will be applied to supplement the Corporation's working capital and be used for general corporate purposes.

If the Over Allotment Option is exercised in full, the additional net proceeds to the Corporation, after deducting the Underwriters' Fee, will be approximately Cdn\$135,000,272. In the event that all or part of the Over Allotment Option is exercised, the additional proceeds received from the exercise of such option will be applied to supplement the Corporation's working capital and be used for general corporate purposes. The proceeds received from the Over Allotment Option, if exercised, will be held in escrow until the satisfaction of the Escrow Release Conditions.

CONSOLIDATED CAPITAL AND INDEBTEDNESS

There have been no material changes in the Corporation's share or loan capital on a consolidated basis since December 31, 2014. After giving effect to the Offering and the issuance of all underlying Class B Subordinate Voting Shares to the holders of Subscription Receipts, an additional 424,209,000 Class B Subordinate Voting Shares (487,840,350 Class B Subordinate Voting Shares if the Over-Allotment Option is exercised in full) will be issued.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated February 20, 2015 (the "**Underwriting Agreement**") between the Corporation and the Underwriters, the Corporation has agreed to issue and sell and the Underwriters have agreed to purchase, as principals, on the Offering Closing, being February 27, 2015 or any other date as may be agreed upon by the Corporation and the Joint Bookrunners, on behalf of the Underwriters, but in any event not later than March 21, 2015, subject to the conditions stipulated in the Underwriting Agreement, 424,209,000 Subscription Receipts offered hereby at a price of Cdn\$2.21 per Subscription Receipt for total gross proceeds of Cdn\$937,501,890, payable in cash to the Subscription Receipt Agent (less 50% of the Underwriters' Fee). The Subscription Receipts are being offered to the public in all of the provinces of Canada. The terms of the Offering and the offering prices of the Subscription Receipts were determined by negotiation between the Corporation and the Joint Bookrunners, on behalf of the Underwriters.

The Underwriting Agreement provides that the Corporation will pay the Underwriters' fee of Cdn\$0.0884 per Subscription Receipt issued and sold by the Corporation pursuant to the Offering (and, if applicable, pursuant to the Over-Allotment Option), with the exception of Subscription Receipts issued and sold pursuant to the orders placed by the Principal Shareholders in an aggregate amount of Cdn\$62.5 million (approximately US\$50 million) (the "**Underwriters' Fee**"). The Underwriters' Fee is payable as to 50% upon the Offering Closing (and, as applicable, upon the closing of the exercise of the Over-Allotment Option) and 50% upon the satisfaction of the Escrow Release Conditions. If the Escrow Release Conditions are not satisfied prior to the occurrence of a Termination Event, the Underwriters will not be entitled to receive the remaining 50% of the Underwriters' Fee.

The obligations of the Underwriters under the Underwriting Agreement are joint (and not solidary nor joint and several) and may be terminated at their discretion upon the occurrence of certain stated events set forth in the Underwriting Agreement. Under the terms of the Underwriting Agreement, the Underwriters may be entitled to indemnification by the Corporation against certain liabilities, including liabilities for misrepresentations in the Prospectus and this Prospectus Supplement. If an Underwriter fails to purchase the Subscription Receipts which it has agreed to purchase, the other Underwriters may, but are not obligated to, purchase such Subscription Receipts. The Underwriters are, however, obligated to take up and pay for all Subscription Receipts if any Subscription Receipts are purchased under the Underwriting Agreement.

There is currently no market through which the Subscription Receipts may be sold and purchasers may not be able to resell the Subscription Receipts purchased under this Prospectus Supplement. Although the Corporation has applied to list the Subscription Receipts and the Class B Subordinate Voting Shares issuable upon the exchange of the Subscription Receipts on the TSX, such listing will be subject to the fulfillment of all listing conditions of the TSX and there can be no assurance that these conditions will be met.

After the Underwriters have made reasonable efforts to sell the Subscription Receipts at the offering price referred to above, the Underwriters may decrease the offering price for the Subscription Receipts and may further change the price from time to time to amounts no greater than that set forth above. In the event the offering price of the Subscription Receipts is reduced, the compensation received by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Subscription Receipts is less than the gross proceeds paid by the Underwriters to the Corporation for the Subscription Receipts. Any such reduction will not affect the proceeds received by the Corporation.

The Corporation has granted to the Underwriters an option (the “**Over-Allotment Option**”), exercisable in whole or in part at any time not later than the earlier of (i) the 30th day following the date of the Offering Closing, and (ii) the occurrence of a Termination Event, to purchase up to an additional 63,631,350 Subscription Receipts or Class B Subordinate Voting Shares, as applicable, at a price of Cdn\$2.21 per Subscription Receipt or Class B Subordinate Voting Share, as applicable, on the same terms and conditions as under the Offering, solely for market stabilization purposes and to cover over-allotments, if any. In the event the Over-Allotment Option is exercised following the satisfaction of the Escrow Release Conditions, the Corporation shall issue the same number of Class B Subordinate Voting Shares in lieu of Subscription Receipts. This Prospectus Supplement qualifies the distribution of the Subscription Receipts or Class B Subordinate Voting Shares, as applicable, issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Subscription Receipts or Class B Subordinate Voting Shares, as applicable, forming part of the Underwriters’ over-allocation position acquires such Subscription Receipts or Class B Subordinate Voting Shares, as applicable, under this Prospectus Supplement regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In connection with this Offering, the Underwriters may, subject to applicable laws, effect transactions which stabilize or maintain the market price of the Subscription Receipts at levels other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Pursuant to the rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period ending on the date the selling process for the Subscription Receipts ends and all stabilization arrangements relating to the Subscription Receipts are terminated, bid for or purchase securities of the Corporation for their own account or for accounts over which they exercise control or direction. The foregoing restrictions are subject to certain exceptions including a bid for or purchase of securities of the Corporation: (i) if the bid or purchase is made through the facilities of the TSX, in accordance with the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada; (ii) made for or on behalf of a client, other than certain prescribed clients, provided that the client’s order was not solicited by the Underwriters, or if the client’s order was solicited, the solicitation occurred before the commencement of a prescribed restricted period; and (iii) to cover a short position entered into prior to the commencement of a prescribed restricted period. The Underwriters may engage in market stabilization or market balancing activities on the TSX where the bid for or purchase of securities of the Corporation is for the purpose of maintaining a fair and orderly market in such securities of the Corporation, subject to price limitations applicable to such bids or purchases. Such transactions, if commenced, may be discontinued at any time.

In connection with this Offering, the Corporation has agreed not to, directly or indirectly, without the prior written consent of the Joint Bookrunners on behalf of the Underwriters, such consent not to be unreasonably withheld, issue, offer, sell, grant any option to purchase or otherwise dispose of (or announce any intention to do so) any equity securities of the Corporation or any securities convertible into, or exchangeable or exercisable for, equity securities of the Corporation, for a period of 90 days following the date of the Offering Closing, except (i) employee stock options and other securities-based compensation arrangements and Class B Subordinate Voting Shares issued upon their exercise or settlement; (ii) securities issued as part of the Offering and Class B Subordinate Voting Shares issued pursuant to the conversion, exchange or exercise thereof in accordance with their terms; and (iii) securities issued pursuant to the exercise, conversion or exchange of currently outstanding convertible, or exchangeable securities of the Corporation in accordance with their terms.

As a condition of the Offering Closing, the officers and directors of the Corporation and certain members of the Bombardier family will have entered into agreements on or before the Offering Closing pursuant to which they will agree not to sell, and will cause their subsidiaries not to sell, Class A Shares, Class B Subordinate Voting Shares or securities convertible or exchangeable into Class A Shares or Class B Subordinate Voting Shares (or announce any intention to do so) for a period of 90 days following the date of the Offering Closing.

As part of this Offering, Mr. J. R. André Bombardier, director of the Corporation and Vice Chairman of the Board, and Meses. Janine Bombardier, Claire Bombardier Beaudoin and Huguette Bombardier Fontaine (the “**Principal Shareholders**”) have confirmed to the Corporation that they will, directly or through corporations controlled by them, purchase Subscription Receipts offered under this Prospectus Supplement for an aggregate investment amount equal to Cdn\$62.5 million (approximately US\$50 million). After giving effect to this Offering and the issuance of all underlying Class B Subordinate Voting Shares to the holders of Subscription Receipts, including the Subscription Receipts purchased by the Principal Shareholders described above, the Class A Shares and Class B Subordinate Voting Shares held by the Principal Shareholders will represent 12.40% of all the Class A Shares and Class B Subordinate Voting Shares outstanding and 49.69% of all the voting rights attached to all the shares of the Corporation (the foregoing percentages assume the Over-Allotment Option is exercised in full). In addition, Messrs. Laurent Beaudoin, Jean-Louis Fontaine and Pierre Beaudoin currently exercise control or direction over 17,663,275 Class A Shares and 1,594,501 Class B Subordinate Voting Shares, representing 0.86% of all the Class A Shares and Class B Subordinate Voting Shares outstanding and 3.51% of all the voting rights attached to all the shares of the Corporation after giving effect to this Offering and the issuance of all underlying Class B Subordinate Voting Shares to the holders of Subscription Receipts (the foregoing percentages assume the Over-Allotment Option is exercised in full). The Principal Shareholders have agreed that the Underwriters, and their respective affiliates, directors, officers and employees, shall have no liability to the Principal Shareholders with respect to disclosure in the Prospectus and this Prospectus Supplement, whether contractually or under applicable securities laws.

The Offering is being made concurrently in all of the provinces of Canada. In addition, the Underwriters may offer Subscription Receipts outside of Canada, subject to compliance with applicable local securities law requirements.

The Subscription Receipts and the Class B Subordinate Voting Shares issuable pursuant to the terms of the Subscription Receipts have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, accordingly, such securities may not be offered, sold or delivered, directly or indirectly, in the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Underwriters have agreed that they will not offer or sell the Subscription Receipts within the United States except to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in accordance with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder. This Prospectus Supplement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The Underwriters may also offer and sell Subscription Receipts outside the United States in accordance with Regulation S under the U.S. Securities Act. In addition, until 40 days after the Offering Closing, an offer or sale of Subscription Receipts, or any Class B Subordinate Voting Shares issuable pursuant to the terms of the Subscription Receipts, within the United States by any dealer (whether or not participating in the Offering) may violate the registration provisions of the U.S. Securities Act unless such offer is made pursuant to an exemption from registration under the U.S. Securities Act.

Notice to Prospective Investors in the European Economic Area

This Prospectus Supplement has been prepared on the basis that any offer of the Offered Securities in any Member State (as defined below) of the European Economic Area will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of the Offered Securities. Accordingly any person making or intending to make an offer in a Member State of Offered Securities which are the subject of the Offering contemplated in this Prospectus Supplement may only do so in circumstances in which no obligation arises for us or any of the Underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the Underwriters have authorized, nor do we or they authorize, the making of any offer of Offered Securities in circumstances in which an obligation arises for us or the Underwriters to publish a prospectus for such offer. Neither we nor the Underwriters have authorized, nor do we or they authorize, the making of any

offer of Offered Securities through any financial intermediary, other than offers made by the Underwriters, which constitute the final placement of Offered Securities contemplated in Prospectus Supplement.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **"Member State"**), each Underwriter has represented and agreed, and each further Underwriter appointed under the Offering will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive was implemented in that Member State (the **"Relevant Implementation Date"**) it has not made and will not make an offer of Offered Securities which are the subject of the Offering in that Member State other than:

- a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Underwriters for any such offer; or
- c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offered Securities shall require the Corporation or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

Each person who acquires any Offered Securities which are the subject of the Offering or to whom any offer of Offered Securities is made will be deemed to have represented, warranted and agreed to and with the relevant Underwriter and the Corporation that it is a qualified investor within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of securities to the public" in relation to any Offered Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Offered Securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the Member State), and includes any relevant implementing measure in the Member State.

Notice to Prospective Investors in the United Kingdom

This Prospectus Supplement does not constitute an offer document or an offer of transferable securities to the public in the United Kingdom (the **"UK"**) to which section 85 of the Financial Services and Markets Act 2000 of the UK (as amended, the **"FSMA"**) applies, and should not be considered as a recommendation that any person should subscribe for or purchase any of the Offered Securities. The Offered Securities will not be offered or sold to any person in the UK save in the circumstances which have not resulted and will not result in an offer to the public in the UK in contravention of section 85(1) of the FSMA.

This Prospectus Supplement is not being distributed by, nor has it been approved for the purposes of section 21 of FSMA by, a person authorized under the FSMA. This Prospectus Supplement is being communicated only to (i) persons outside the UK; or (ii) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the **"FPO"**); (iii) high net worth companies unincorporated associations and other bodies described in Article 49(2) of the FPO; or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any Offered Securities may otherwise lawfully be communicated or caused to be communicated (together, all such persons being referred to as the **"relevant persons"**). This Prospectus Supplement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Prospectus Supplement relates is only available to, and will be engaged in, only with the relevant persons. No part of this Prospectus

Supplement should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the prior written consent of each of the Corporation and the Underwriters.

Each Underwriter has represented and agreed, and each further Underwriter appointed under the Offering will be required to represent and agree, that:

- a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Offered Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Corporation; and
- b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offered Securities in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in France

The Offered Securities have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

Neither this Prospectus Supplement nor any other offering material relating to the Offered Securities described in this Prospectus Supplement has been and will be submitted to the Autorité des Marchés Financiers (“**AMF**”) for approval in France or to the competent authority of another member state of the European Economic Area and notified to the AMF in France. Accordingly, neither this Prospectus Supplement nor any other offering material relating to the Offered Securities has been or will be:

- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the Offered Securities to the public in France.

Such offers, sales and distributions will be made in France only:

- to qualified investors (“*investisseurs qualifiés*”) acting for their own account, as defined in and in accordance with Articles L. 411-2-II-2°, D. 411-1, L. 533-16, L. 533-20, D. 533-13, D. 744-1, D. 754-1, and D. 764-1 of the French Monetary and Financial Code; and/or
- to a restricted number of non-qualified investors (“*cercle restreint d’investisseurs*”) acting for their own account as defined in and in accordance with Articles L. 411-2, D. 411-1, D. 411-2, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code;
- to persons providing portfolio management services for third parties.

Pursuant to Article 211-3 of the of the General regulation of the AMF, investors in France are informed that the Offered Securities cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code.

Notice to Prospective Investors in Switzerland

The Offered Securities may not be publicly offered, sold, or advertised, directly or indirectly, in, into or from in Switzerland and will not be listed on the SIX Swiss Exchange (“**SIX**”) or on any other exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland or the rules related to prospectuses under Swiss Federal Act on Collective Investment Schemes (“**CISA**”). Neither this

document nor any other offering or marketing material relating to the Offered Securities or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Offering, the Corporation, the Offered Securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Offered Securities will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”), and the offer of Offered Securities has not been and will not be authorized under the CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Offered Securities and such acquirers also will not benefit from protection or supervision by FINMA.

RELATIONSHIP BETWEEN THE CORPORATION AND THE UNDERWRITERS

NBF, UBS, CIBC, Citi, Scotia, Merrill, CS and Desjardins are affiliates of financial institutions that are members of a syndicate of lenders that have made available to the Corporation US\$1.35 billion of credit facilities (the “**BI/BA Facilities**”).

The BI/BA Facilities comprise (i) a US\$600 million facility (increasable, subject to specified terms and conditions, to up to US\$750 million) which is available for issuances of letters of credit, letters of guarantee, bid bonds, performance bonds, performance guarantees or similar instruments for the general corporate purposes of the Bombardier Aerospace group (and not the Bombardier Transportation group) (the “**BI/BA LC Facility**”), and (ii) a US\$750 million revolving credit facility (the “**BI/BA Revolving Credit Facility**”), which may be used for the general corporate purposes of the Corporation. As of December 31, 2014, the BI/BA Revolving Credit Facility is undrawn and letters of credit totaling US\$261 million were issued under the BI/BA LC Facility.

In addition, UBS, CIBC, Citi and Scotia are affiliates of financial institutions that are members of a syndicate of lenders that has made available a €500 million (US\$607 million) unsecured revolving credit facility to Bombardier Transportation (the “**BT Revolving Credit Facility**”). As of December 31, 2014, no amount was drawn under the BT Revolving Credit Facility.

Merrill and Scotia are also affiliates of financial institutions that are members of a syndicate of banks that has made available a €3.5-billion (US\$4.25 billion) letter of credit facility to Bombardier Transportation (the “**BT L/C Facility**”). As of December 31, 2014, letters of credit totaling US\$3,573 million were issued under the BT L/C Facility.

In addition, Scotia is an affiliate of a financial institution that is a member of a syndicate of banks that has made available a US\$600 million account performance security guarantee letter of credit facility to Bombardier. As of December 31, 2014, letters of credit totaling US\$327 million were issued under this facility, which is renewable annually.

Accordingly, under applicable securities laws, the Corporation may be considered a “connected issuer” of such Underwriters.

As at the date hereof, the Corporation is in compliance with all material terms of the BI/BA Facilities and the BT Revolving Credit Facility. Since the execution of the BI/BA Facilities and the BT Revolving Credit Facility, the lenders have not waived a breach on the part of the Corporation of the BI/BA Facilities and the BT Revolving Credit Facility. The financial position of the Corporation has not changed in any material manner since the BI/BA Facilities and the BT Revolving Credit Facility were entered into, except as disclosed herein or in the documents incorporated by reference.

The decision to distribute the Subscription Receipts and the determination of the terms of the Offering were made through negotiations between the Corporation and the Joint Bookrunners, on behalf of the Underwriters. None of the Underwriters will receive any benefit from the Offering other than its portion of the Underwriters’ Fee payable by the Corporation. See “Plan of Distribution”.

Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Corporation, for which they received or will receive customary fees.

Each of NBF, CIBC, Scotia and Desjardins own or control an equity interest in the TMX Group Limited (“**TMX**”) and have a nominee director serving on its board. As such, NBF, CIBC, Scotia and Desjardins may be considered to have an economic interest in the listing of securities on an exchange owned or operated by TMX, including the TSX, the TSX Venture Exchange and the Alpha Exchange (each, an “**Exchange**”). No person or company is required to obtain products or services from TMX or its affiliates as a condition of NBF, CIBC, Scotia and Desjardins supplying or continuing to supply a product or service. Each of NBF, CIBC, Scotia and Desjardins does not require the Corporation to list securities on any of the Exchanges as a condition of supplying or continuing to supply underwriting and/or any other services.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Norton Rose Fulbright Canada LLP and Stikeman Elliott LLP, the following summary describes the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a holder of Offered Securities (i) who acquires the Offered Securities pursuant to this Offering, (ii) who, for purposes of the Tax Act and at all relevant times, holds the Offered Securities as capital property, and (iii) who deals at arm’s length with, and is not affiliated with, the Corporation, the Underwriters and each issuer of Short-Term Investments (a “**Holder**”). Generally, Offered Securities will be considered to be capital property to a holder provided the holder does not hold the Offered Securities in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain holders who are residents of Canada and who might not otherwise be considered to hold their Class B Subordinate Voting Shares as capital property may, in certain circumstances, be entitled to have their Class B Subordinate Voting Shares, and all other “Canadian securities” (as defined in the Tax Act) owned by such holders, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This election will not apply in respect of Subscription Receipts. Canadian resident holders should consult their own tax advisors regarding this election.

This summary is not applicable to a holder (i) that is a “financial institution” (as defined in the Tax Act for the purposes of the mark to market rules), (ii) an interest in which would be a “tax shelter investment” (as defined in the Tax Act), (iii) that is a “specified financial institution” (as defined in the Tax Act), (iv) that has elected to report its “Canadian tax results” (as defined in the Tax Act) in a currency other than Canadian currency, (v) who enters into a “derivative forward agreement” (as defined in the Tax Act) with respect to the Offered Securities or (vi) that is a corporation resident in Canada and is, or becomes as part of a transaction or event or series of transactions or events that include the acquisition of Offered Securities, controlled by a non-resident corporation for the purposes of section 212.3 of the Tax Act.

This summary is based upon (i) the provisions of the Tax Act in force as of the date hereof, (ii) all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance of Canada prior to the date hereof (the “**Proposed Amendments**”), and (iii) Norton Rose Fulbright Canada LLP and Stikeman Elliott LLP’s understanding of the current published administrative and assessing policies and practices of the Canada Revenue Agency. This summary assumes the Proposed Amendments will be enacted in the form currently proposed, however, no assurance can be given that the Proposed Amendments will be enacted in the form currently proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law, whether by legislative, governmental or judicial action, any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein nor does it take into account any changes in the administrative practices or assessing policies of the Canada Revenue Agency.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder or prospective holder of Offered Securities, and no representations

with respect to the income tax consequences to any holder or prospective holder are made. Consequently, holders and prospective holders of Offered Securities should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring Offered Securities pursuant to this Offering, having regard to their particular circumstances.

This summary is based upon the understanding of Norton Rose Fulbright Canada LLP and Stikeman Elliott LLP that a Subscription Receipt evidences a right to acquire a Class B Subordinate Voting Share on the satisfaction of certain conditions. No advance tax ruling has been sought from the Canada Revenue Agency in this regard and Norton Rose Fulbright Canada LLP and Stikeman Elliott LLP are not aware of any judicial authority with respect to this characterization.

Holders Resident in Canada

The following summary applies to a Holder who, at all relevant times, for purposes of the Tax Act, is or is deemed to be resident in Canada (a “**Canadian Holder**”).

Taxation of Canadian Holders of Subscription Receipts

Acquisition of Class B Subordinate Voting Shares Pursuant to Terms of Subscription Receipts

A Canadian Holder of Subscription Receipts will not realize any capital gain or capital loss upon the acquisition of Class B Subordinate Voting Shares pursuant to the terms of Subscription Receipts.

The cost of a Class B Subordinate Voting Share received pursuant to the terms of a Subscription Receipt will be the subscription price thereof. The adjusted cost base to a Canadian Holder of Class B Subordinate Voting Shares at any time will be determined by averaging the cost of such Class B Subordinate Voting Shares with the adjusted cost base immediately before that time of any other Class B Subordinate Voting Shares owned by the Canadian Holder as capital property at such time.

Disposition of Subscription Receipts

A disposition or deemed disposition by a Canadian Holder of a Subscription Receipt (other than on the acquisition of a Class B Subordinate Voting Share pursuant to the terms of Subscription Receipts as discussed above) will generally result in the Canadian Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base to the Canadian Holder thereof and any reasonable costs of disposition. The cost to a Canadian Holder of a Subscription Receipt will generally be the amount paid to acquire the Subscription Receipt. The adjusted cost base to a Canadian Holder of Subscription Receipts at any time will be determined by averaging the cost of such Subscription Receipts with the adjusted cost base immediately before that time of any other Subscription Receipts owned by the Canadian Holder as capital property at that time. Such capital gain (or capital loss) will be subject to the tax treatment described below under “—Taxation of Holders of Class B Subordinate Voting Shares—Taxation of Capital Gains and Capital Losses”.

In the event that a Termination Event occurs, Canadian Holders of Subscription Receipts should be considered to have disposed of their Subscription Receipts and shall be entitled to receive from the Subscription Receipt Agent an amount equal to the full subscription price thereof plus an amount equal to their *pro rata* share of Earned Interest and Deemed Interest. Such amount of Earned Interest and Deemed Interest will be subject to the tax treatment described below under “—*Pro Rata* Share of Interest”. In the event that a Termination Event occurs, any amount paid to a Canadian Holder that is included in the Canadian Holder’s income will be excluded from the Canadian Holder’s proceeds of disposition of a Subscription Receipt.

Pro Rata Share of Interest

In the event that a Termination Event occurs, Canadian Holders of Subscription Receipts shall be entitled to receive from the Subscription Receipt Agent an amount equal to the full subscription price thereof plus their *pro rata* share of Earned Interest and Deemed Interest.

A Canadian Holder that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year the amount of any such interest accrued to the Canadian Holder to the end of the Canadian Holder's taxation year, or that is receivable or received by the Canadian Holder before the end of that taxation year, except to the extent that such interest was included in computing the Canadian Holder's income for a preceding taxation year.

Any other Canadian Holder that is entitled to receive its share of Earned Interest or Deemed Interest will be required to include in computing income for a taxation year such interest that is receivable or received by the Canadian Holder in that taxation year, depending upon the method regularly followed by the Canadian Holder in computing income.

A Canadian Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income", which is defined in the Tax Act to include interest income.

Taxation of Canadian Holders of Class B Subordinate Voting Shares

Disposition of Class B Subordinate Voting Shares

A disposition or a deemed disposition of a Class B Subordinate Voting Share by a Canadian Holder (except to the Corporation) will generally result in the Canadian Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Class B Subordinate Voting Share exceed (or are less than) the aggregate of the adjusted cost base to the Canadian Holder thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "—Taxation of Capital Gains and Capital Losses".

Taxation of Capital Gains and Capital Losses

Generally, one half of any capital gain (a "**taxable capital gain**") realized by a Canadian Holder in a taxation year must be included in the Canadian Holder's income for the year, and one half of any capital loss (an "**allowable capital loss**") realized by a Canadian Holder in a taxation year must be deducted from taxable capital gains realized by the Canadian Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Canadian Holder that is a corporation on the disposition of a Class B Subordinate Voting Share may be reduced by the amount of dividends received or deemed to be received by it on such Class B Subordinate Voting Share (or on a share for which the Class B Subordinate Voting Share has been substituted) to the extent and under the circumstances described by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Class B Subordinate Voting Shares, directly or indirectly, through a partnership or a trust. Canadian Holders that are corporations should consult their own tax advisors in this regard.

A Canadian Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay the refundable tax on its "aggregate investment income", which is defined in the Tax Act to include taxable capital gains.

Capital gains realized by an individual (including certain trusts) may give rise to liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act. Canadian Holders who are individuals should consult their own tax advisors in this regard.

Receipt of Dividends on Class B Subordinate Voting Shares

Dividends received or deemed to be received on Class B Subordinate Voting Shares held by a Canadian Holder will be included in the Canadian Holder's income for the purposes of the Tax Act.

Such dividends received by a Canadian Holder that is an individual (other than certain trusts) will be subject to the gross up and dividend tax credit rules in the Tax Act normally applicable to dividends received from taxable Canadian corporations, including the enhanced gross up and dividend tax credit in respect of dividends designated by the Corporation as "eligible dividends" (as defined in the Tax Act). There may be limitations on the ability of the Corporation to designate dividends as "eligible dividends".

Taxable dividends received by a Canadian Holder who is an individual (other than certain trusts) may result in such Canadian Holder being liable for alternative minimum tax under the Tax Act. Canadian Holders who are individuals should consult their own tax advisors in this regard.

A Canadian Holder that is a corporation will be required to include such dividends in computing its income and generally will be entitled to deduct the amount of such dividends in computing its taxable income. A Canadian Holder that is a "private corporation" or "subject corporation" (as such terms are defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax of 33⅓% of dividends received or deemed to be received on Class B Subordinate Voting Shares to the extent such dividends are deductible in computing the Canadian Holder's taxable income.

Holders Not Resident in Canada

The following summary applies to a Holder who, at all relevant times, for purposes of the Tax Act, (i) is neither resident nor deemed to be resident in Canada, and (ii) does not, and is not deemed to, use or hold Offered Securities in carrying on a business in Canada (a "**Non Canadian Holder**"). In addition, this discussion does not apply to an insurer who carries on an insurance business in Canada and elsewhere.

Taxation of Non Canadian Holders of Subscription Receipts

Acquisition of Class B Subordinate Voting Shares pursuant to terms of Subscription Receipts

A Non Canadian Holder of Subscription Receipts will not realize any capital gain or capital loss upon the acquisition of Class B Subordinate Voting Shares pursuant to the terms of Subscription Receipts.

Disposition of Subscription Receipts

On a disposition or deemed disposition of a Subscription Receipt (which does not include an acquisition of a Class B Subordinate Voting Share pursuant to the terms of Subscription Receipts as discussed above), a Non Canadian Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non Canadian Holder, unless the Subscription Receipt constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non Canadian Holder at the time of disposition and the holder is not entitled to relief under an applicable income tax convention.

As long as the Class B Subordinate Voting Shares are listed on a designated stock exchange (which currently includes the TSX), Subscription Receipts will generally not constitute taxable Canadian property of a Non Canadian Holder, unless at any time during the 60-month period immediately preceding the disposition of the Subscription Receipt: (i) one or any combination of (A) the Non Canadian Holder, (B) persons with whom the Non Canadian Holder did not deal at arm's length, and (C) partnerships in which the Non Canadian Holder or a person described in (B) holds a membership interest directly or indirectly

through one or more partnerships, owned 25% or more of the issued shares of any class of the capital stock of the Corporation, and (ii) more than 50% of the fair market value of the Class B Subordinate Voting Shares was derived directly or indirectly from one or any combination of: (a) real or immovable property situated in Canada, (b) “Canadian resource properties” (as defined in the Tax Act), (c) “timber resource properties” (as defined in the Tax Act); and (d) options in respect of, or interests in, or for civil law rights in, property described in (a) to (c), whether or not the property exists. A Non Canadian Holder contemplating a disposition of Subscription Receipts that may constitute taxable Canadian property should consult a tax advisor prior to such disposition.

In the event that a Termination Event occurs, Non Canadian Holders of Subscription Receipts should be considered to have disposed of their Subscription Receipts and shall be entitled to receive from the Subscription Receipt Agent an amount equal to the full subscription price thereof plus an amount equal to their *pro rata* share of Earned Interest and Deemed Interest. Such amount of Earned Interest and Deemed Interest will be subject to the tax treatment described below under “—*Pro Rata Share of Interest*”.

Pro Rata Share of Interest

In the event that a Termination Event occurs, Non Canadian Holders of Subscription Receipts shall be entitled to receive from the Subscription Receipt Agent an amount equal to the full subscription price thereof plus their *pro rata* share of Earned Interest and Deemed Interest. A Non Canadian Holder will generally not be subject to Canadian withholding tax in respect of amounts paid or credited or deemed to have been paid or credited as, on account or in lieu of payment of, or in satisfaction of, any such interest.

Taxation of Non Canadian Holders of Class B Subordinate Voting Shares

Disposition of Class B Subordinate Voting Shares

A Non Canadian Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non Canadian Holder on a disposition or deemed disposition of a Class B Subordinate Voting Share issuable pursuant to the terms of Subscription Receipts, unless the Class B Subordinate Voting Shares constitute “taxable Canadian property” (as defined in the Tax Act) of the Non Canadian Holder at the time of disposition and the Non Canadian Holder is not entitled to relief under an applicable income tax convention.

As long as the Class B Subordinate Voting Shares are listed on a designated stock exchange (which currently includes the TSX), Class B Subordinate Voting Shares will generally not constitute taxable Canadian property of a Non Canadian Holder, unless at any time during the 60-month period immediately preceding the disposition of the Subscription Receipt: (i) one or any combination of (A) the Non Canadian Holder, (B) persons with whom the Non Canadian Holder did not deal at arm’s length, and (C) partnerships in which the Non Canadian Holder or a person described in (B) holds a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class of the capital stock of the Corporation, and (ii) more than 50% of the fair market value of the Class B Subordinate Voting Shares was derived directly or indirectly from one or any combination of: (a) real or immovable property situated in Canada, (b) “Canadian resource properties” (as defined in the Tax Act), (c) “timber resource properties” (as defined in the Tax Act); and (d) options in respect of, or interests in, or for civil law rights in, property described in (a) to (c), whether or not the property exists. A Non Canadian Holder contemplating a disposition of Class B Subordinate Voting Shares that may constitute taxable Canadian property should consult a tax advisor prior to such disposition.

Receipt of Dividends on Class B Subordinate Voting Shares

Any dividend paid or credited, or deemed to be paid or credited, on Class B Subordinate Voting Shares to a Non Canadian Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax

convention between Canada and the Non Canadian Holder's country of residence. For instance, where the Non Canadian Holder is a resident of the United States that is entitled to full benefits under the Canada-United States Income Tax Convention (1980), as amended, and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

RISK FACTORS

An investment in securities of the Corporation, including the Subscription Receipts and the underlying Class B Subordinate Voting Shares issuable pursuant to the terms of the Subscription Receipts, involves significant risks. Before deciding whether to invest in the Subscription Receipts and the underlying Class B Subordinate Voting Shares issuable pursuant to the terms of the Subscription Receipts, investors should consider carefully the risks described in the Prospectus and in the information incorporated by reference in the Prospectus and this Prospectus Supplement (including, without limitation, subsequently filed documents incorporated by reference) as well as the risks described below. If any of the events described in the risk factors below, in the Prospectus and in the information incorporated by reference in the Prospectus and this Prospectus Supplement actually occurs, our business, financial condition, prospects, results of operations or cash flow could be materially and adversely affected. The risks described herein and in the documents incorporated by reference into this Prospectus Supplement are not the only risks facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially and adversely affect its business. We cannot assure you that any of the events discussed in the risk factors below, in the Prospectus and in the information incorporated by reference in the Prospectus and this Prospectus Supplement will not occur. If any of such events does occur, you may lose all or part of your original investment in the securities distributed under this Prospectus Supplement.

There is no prior public market for the Subscription Receipts

There is currently no market through which the Subscription Receipts may be sold and purchasers may not be able to resell the Subscription Receipts purchased under this Prospectus Supplement. Although the Corporation has applied to list the Subscription Receipts and the Class B Subordinate Voting Shares issuable upon the exchange of the Subscription Receipts on the TSX, such listing will be subject to the fulfillment of all listing conditions of the TSX and there can be no assurance that these conditions will be met. There can be no assurance that an active trading market will develop for the Subscription Receipts after the Offering, or if developed, that such a market will be sustained at the price level of the Offering. To the extent that an active trading market for the Subscription Receipts does not develop, the liquidity and trading prices of the Subscription Receipts may be adversely affected.

The market price of the Class B Subordinate Voting Shares may be volatile

The market price of the Subscription Receipts and Class B Subordinate Voting Shares may be volatile. This volatility may affect the ability of holders of Subscription Receipts to sell the Subscription Receipts at an advantageous price.

The market price for Subscription Receipts and Class B Subordinate Voting Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control, including the following:

- actual or anticipated fluctuations in the Corporation's quarterly results of operations;
- changes in estimates of our future results of operations by us or securities research analysts;
- changes in the economic performance or market valuations of other companies that investors deem comparable to the Corporation;
- change of the Corporation's executive officers and other key personnel;
- sales or perceived sales of additional Class B Subordinate Voting Shares;

- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors; and
- news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in the Corporation's industry or target markets.

Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Corporation's performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Class B Subordinate Voting Shares by those institutions, which could adversely affect the trading price of the Subscription Receipts and Class B Subordinate Voting Shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the trading price of the Class B Subordinate Voting Shares may be adversely affected. These broad market fluctuations may adversely affect the market prices of the Subscription Receipts and Class B Subordinate Voting Shares.

The Escrow Release Conditions may not be satisfied prior to the occurrence of a Termination Event

There can be no assurance that the Escrow Release Conditions will be satisfied prior to the occurrence of a Termination Event. Each subscriber's subscription proceeds will be held in escrow pending the satisfaction of the Escrow Release Conditions or the occurrence of a Termination Event, and accordingly subscribers will not be able to use such funds to take advantage of other investment opportunities that occur prior to the satisfaction of the Escrow Release Conditions or the occurrence of a Termination Event nor to participate in any growth in the trading price of the Class B Subordinate Voting Shares if the Escrow Release Conditions are not satisfied before the occurrence of a Termination Event. Holders of Subscription Receipts have only the rights described under "Description of the Subscription Receipts" and as set out in the Subscription Receipt Agreement.

If the Escrow Release Conditions are not satisfied prior to the occurrence of a Termination Event, the subscription evidenced by each Subscription Receipt will be automatically terminated and cancelled, and each Subscription Receipt will entitle the holder thereof to receive an amount equal to the full subscription price and its *pro rata* share of the Earned Interest and the Deemed Interest, less applicable withholding taxes, if any, within three business days of the Termination Date. For greater certainty, in the event that the gross proceeds of the Offering are required to be remitted to purchasers of the Subscription Receipts, the Corporation has agreed and has undertaken to pay the Subscription Receipt Agent an amount equal to 50% of the Underwriters' Fee plus the Deemed Interest such that 100% of the gross proceeds of the Offering, plus the Earned Interest and the Deemed Interest, would be delivered to purchasers of the Subscription Receipts.

The issuance of Class B Subordinate Voting Shares pursuant to the Subscription Receipts may be diluted by subsequent offerings by the Corporation or because of the exercise or conversion of securities of the Corporation

The issuance of the Class B Subordinate Voting Shares in connection with the exchange of the Subscription Receipts may have a dilutive effect on the existing holders of Class B Subordinate Voting Shares and the Corporation may issue additional Class B Subordinate Voting Shares in subsequent offerings. While the Corporation cannot predict the size or timing of future issuances of securities, any future issuance of Class B Subordinate Voting Shares may have a dilutive effect on those purchasers who receive Class B Subordinate Voting Shares issuable pursuant to Subscription Receipts. As at February 19, 2015, the last trading day on the TSX prior to the date of this Prospectus Supplement, 314,273,255 Class A Shares and 1,444,132,126 Class B Subordinate Voting Shares were issued and outstanding. After giving effect to the Offering and the issuance of all underlying Class B Subordinate Voting Shares to the holders of Subscription Receipts, an additional 424,209,000 Class B Subordinate

Voting Shares (487,840,350 Class B Subordinate Voting Shares if the Over-Allotment Option is exercised in full) will be issued.

Rights of holders of Subscription Receipts may change

From time to time while the Subscription Receipts are outstanding, the Corporation, the Joint Bookrunners and the Subscription Receipt Agent, without the consent of the holders of the Subscription Receipts, may amend or supplement the Subscription Receipt Agreement for certain purposes, including making any change that does not prejudice the rights of the holders of Subscription Receipts. The Subscription Receipt Agreement will provide for other modifications and alterations thereto and to the Subscription Receipts issued thereunder by way of a resolution passed by the affirmative votes of the holders of not less than $66\frac{2}{3}\%$ of the number of outstanding Subscription Receipts represented and voting at a meeting of Subscription Receipt holders or an instrument or instruments in writing signed by the holders of not less than $66\frac{2}{3}\%$ of the number of outstanding Subscription Receipts. The description of the Subscription Receipt Agreement contained in this Prospectus Supplement is qualified in its entirety by the provisions of such agreement, which should be reviewed by holders of Subscription Receipts. The Subscription Receipt Agreement will be filed by the Corporation on SEDAR on the date of the Offering Closing.

LEGAL MATTERS

The matters referred to under “Eligibility for Investment” and certain other legal matters relating to the Subscription Receipts offered by this Prospectus Supplement will be passed upon on the Offering Closing on behalf of the Corporation by Norton Rose Fulbright Canada LLP and on behalf of the Underwriters by Stikeman Elliott LLP.

As of the date hereof, the partners and associates as a group of each of Norton Rose Fulbright Canada LLP and Stikeman Elliott LLP own beneficially, directly or indirectly, less than 1% of the outstanding Class B Subordinate Voting Shares.

AUDITOR, TRANSFER AGENT AND SUBSCRIPTION RECEIPT AGENT

The auditors of the Corporation are Ernst & Young LLP, 800 René-Lévesque Blvd. West, Montréal, Québec, Canada H3B 1X9, who advise that they are independent within the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

Computershare Trust Company of Canada, the Subscription Receipt Agent and Computershare Investor Services Inc., the transfer agent and registrar for the Class B Subordinate Voting Shares, are each located at 1500 University Street, Suite 700, Montréal, Québec, Canada H3A 3S8.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the Prospectus, the Prospectus Supplement and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limits prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

Under the Subscription Receipt Agreement, a purchaser of Subscription Receipts to whom this Prospectus Supplement was sent or delivered and who is the original purchaser of the Subscription Receipts (each, an “**Original Purchaser**”) will have a contractual right of rescission entitling the Original Purchaser to receive the amount paid for the Subscription Receipts and, upon surrender of the

Subscription Receipts or the Class B Subordinate Voting Shares issuable pursuant to their terms, as applicable, if this Prospectus Supplement and any amendment contains a misrepresentation, as such term is defined in the *Securities Act* (Quebec) (the “**Securities Act**”), provided (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 217 of the Securities Act, shall be subject to the defences, limitations and other provisions described under Title VIII of the Securities Act, and is in addition to any other right or remedy available to Original Purchasers of Subscription Receipts under sections 217 to 219 of the Securities Act or otherwise at law. For greater certainty, this contractual right of rescission under the Subscription Receipt Agreement is only in connection with a misrepresentation (within the meaning of the Securities Act) and is not a right to withdraw from an agreement to purchase securities within two business days as provided in securities legislation in certain provinces of Canada. Original Purchasers should refer to any applicable provisions of the securities legislation of such purchaser’s province for the particulars of these rights, or consult with a legal advisor.

CERTIFICATE OF THE UNDERWRITERS

Dated: February 20, 2015

To the best of our knowledge, information and belief, the short form base shelf prospectus dated February 18, 2015, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

**NATIONAL BANK
FINANCIAL INC.**

(signed) LOUIS
GENDRON

**UBS SECURITIES
CANADA INC.**

(signed) ALAIN AUCLAIR

**CIBC WORLD MARKETS
INC.**

(signed) ALEXANDRE
PRUNIER

**CITIGROUP GLOBAL
MARKETS CANADA INC.**

(signed) GRANT
KERNAGHAN

SCOTIA CAPITAL INC.

(signed) CHARLES
ÉMOND

**MERRILL LYNCH
CANADA INC.**

(signed) DEEP KHOSLA

**CREDIT SUISSE
SECURITIES
(CANADA), INC.**

(signed) DANIEL J.
MCCARTHY

**DESJARDINS
SECURITIES INC.**

(signed) JEAN-YVES
BOURGEOIS

This short form base shelf prospectus has been filed under legislation in each of the provinces of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

This short form base shelf prospectus is not an offer to sell these securities and it is not soliciting an offer to purchase these securities in any jurisdiction where the offer or sale is not permitted.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Corporation at 800 René-Lévesque Boulevard West, Montréal, Québec H3B 1Y8 (Telephone: 514-861-9481), and are also available electronically at www.sedar.com.

Short Form Base Shelf Prospectus

New Issue

February 18, 2015

BOMBARDIER

Cdn\$2,500,000,000

Debt Securities

Preferred Shares

Class B Shares (Subordinate Voting)

Subscription Receipts

Warrants

Bombardier Inc. (“we”, “us”, “Bombardier” or the “Corporation”) may from time to time offer and issue the following securities: (i) unsecured debt securities (collectively, the “Debt Securities”); (ii) preferred shares (“Preferred Shares”); (iii) Class B shares (subordinate voting) (“Class B Subordinate Voting Shares”); (iv) subscription receipts (“Subscription Receipts”); and (v) warrants (“Warrants”). The Debt Securities, the Preferred Shares, the Class B Subordinate Voting Shares, the Subscription Receipts and the Warrants (collectively, the “Securities”) offered hereby may be offered separately or together, in separate series, in amounts, at prices and on terms to be set forth in an accompanying prospectus supplement (a “Prospectus Supplement”) to this short form base shelf prospectus (the “Prospectus”).

Bombardier may sell up to Cdn\$2,500,000,000 in aggregate initial offering amount of Securities (or the Canadian dollar equivalent thereof if any of the Securities are denominated in a foreign currency or currency unit) or, if any Debt Securities are issued at an original issue discount, such greater amount as shall result in an aggregate issue price of Cdn\$2,500,000,000 (or the Canadian dollar equivalent thereof if the Debt Securities are denominated in a foreign currency or currency unit) at any time and from time to time during the 25-month period that this Prospectus, including any amendments thereto, remains valid.

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of the Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which such securities may be purchased, maturity, interest provisions, authorized denominations, ranking, offering price, any terms for redemption at the option of Bombardier or the holder, any exchange or conversion terms and any other specific terms; (ii) in the case of the Preferred Shares, the designation of the particular series, aggregate amount, the number of shares offered, the issue price, the dividend rate, the dividend payment dates, any exchange, conversion, redemption or repurchase provisions and any other specific terms; (iii) in the case of the Class B

Subordinate Voting Shares, the number of shares and the offering price; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, the procedures for the exchange of the Subscription Receipts for Debt Securities, Preferred Shares or Class B Subordinate Voting Shares, as the case may be, and any other specific terms; and (v) in the case of Warrants, the designation, number and terms of the Debt Securities, Preferred Shares or Class B Subordinate Voting Shares purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms. A Prospectus Supplement may include other specific terms pertaining to the Securities that are not precluded by the parameters described in this Prospectus.

This Prospectus does not qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as LIBOR, EURIBOR or a U.S. Federal funds rate.

All information permitted under applicable securities laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be deemed to be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of such Prospectus Supplement but only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The head office of the Corporation is located at 800 René-Lévesque Boulevard West, Montréal, Québec H3B 1Y8.

The Corporation's Class A shares (multiple voting) (the "Class A Shares"), Class B Subordinate Voting Shares, Series 2 Preferred Shares (as defined below), Series 3 Preferred Shares (as defined below) and Series 4 Preferred Shares (as defined below) are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbols "BBD.A", "BBD.B", "BBD.PR.B", "BBD.PR.D" and "BBD.PR.C", respectively. **Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities, the Subscription Receipts and the Warrants, will not be listed on any stock exchange or quotation system.**

The number of Class B Subordinate Voting Shares which the Corporation is authorized to issue, as specified in its authorized share capital, is limited. Accordingly, in order to provide the Corporation with the ability to issue Class B Subordinate Voting Shares in an offering of Securities and to provide for the flexibility required to access the capital markets for future financing needs, to have available Class B Subordinate Voting Shares for the purpose of compensation plans of the Corporation and for such other purposes as the Board deems to be in the best interests of the Corporation, the Corporation proposes to amend its Articles to increase the number of Class A Shares and Class B Subordinate Voting Shares which it is authorized to issue. The Amendment (as defined below) is expected to become effective on or about March 27, 2015, subject to approval by at least 66⅔% of the votes cast by the holders of Class A Shares and Class B Subordinate Voting Shares of the Corporation at the Shareholders Meeting (as defined below), which is anticipated to be held on or about March 27, 2015. See "Amendment to Articles and Shareholders Meeting".

The Securities may be sold through underwriters or dealers, by Bombardier directly pursuant to applicable statutory exemptions, or through agents designated by Bombardier from time to time. The applicable Prospectus Supplement will identify each underwriter, dealer or agent, as the case may be, engaged in connection with the offering and sale of those Securities, and will also set forth the terms of the offering of such Securities, the method of distribution of such Securities, including, to the extent applicable, the proceeds to the Corporation,

and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution.

The Securities may be offered by one or more of National Bank Financial Inc. (“**NBF**”), UBS Securities Canada Inc. (“**UBS**”), CIBC World Markets Inc. (“**CIBC**”) and Citigroup Global Markets Canada Inc. (“**Citi**”) (collectively, the “**Dealers**”). The Dealers shall act as the Corporation’s agents or as principals, as the case may be, subject to confirmation by the Corporation. The rate of compensation payable in connection with the sale of Securities by the Dealers will be as determined by agreement between the Corporation and the Dealers. Securities may be purchased from time to time by any of the Dealers, as an underwriter or dealer purchasing as principal, at such prices and at such rates of compensation as may be agreed upon by the Corporation and any such Dealers, for resale to the public at prices to be negotiated with purchasers. Such resale prices may vary during the distribution period and as between purchasers. In connection with any underwritten offering of Securities, the Dealers may over-allot or effect transactions intended to fix or stabilize the market price of the Securities at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

Unless otherwise specified in a Prospectus Supplement, an offering of Securities is subject to approval of certain legal matters on behalf of Bombardier by Norton Rose Fulbright Canada LLP and on behalf of the Dealers by Stikeman Elliott LLP.

NBF, UBS, CIBC and Citi are affiliates of financial institutions that are members of syndicate of lenders that have made credit facilities available to the Corporation or its subsidiaries. Accordingly, under applicable securities laws, the Corporation may be considered a “connected issuer” of such Dealers. See “Relationship Between the Corporation and the Dealers”.

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GENERAL MATTERS

Prospective investors should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. Neither the Corporation nor any of the Dealers has authorized any person to provide information that differs from the information contained herein. If anyone provides prospective investors with additional or different or inconsistent information, including information or statements in media articles about the Corporation, prospective investors should not rely on it.

Bombardier is not making an offer of Securities in any jurisdiction where the offer is not permitted by law. Prospective investors should not assume that the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement is accurate as of any date other than the date on the front of the applicable Prospectus Supplement.

ENFORCEMENT OF LEGAL RIGHTS

The following directors of the Corporation, Martha Finn Brooks, Vikram Pandit, Patrick Pichette, Carlos Represas, Alain Bellemare and Henreich Weiss, reside outside of Canada and have appointed Norton Rose Fulbright Canada, 1 Place Ville-Marie, Suite 2500, Montréal, Québec H3B 1R1 as their representative agent for service of process in Canada. Purchasers are advised it may not be possible for investors to enforce

judgments obtained in Canada against such directors of the Corporation that reside outside of Canada, even if the party has appointed an agent for service of process.

PRESENTATION OF FINANCIAL INFORMATION

The Corporation's consolidated financial statements, which are incorporated by reference herein, have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board. The Corporation prepares its financial statements in U.S. dollars. In this Prospectus and in the documents incorporated by reference herein (including, without limitation, subsequently filed documents deemed to be incorporated by reference and, if applicable, any Prospectus Supplement), references to United States dollars, US\$ or \$ are to the currency of the United States, references to Canadian dollars or Cdn\$ are to the currency of Canada and references to euros or € are to the currency of the euro area.

CURRENCY AND EXCHANGE RATE INFORMATION

The following table reflects the high, low and average rates of exchange in United States dollars for one Canadian dollar for the periods noted, based on the Bank of Canada noon spot rate of exchange.

	Fiscal Year Ended		
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
High.....	1.1643	1.0697	1.0418
Low.....	1.0614	0.9839	0.9710
Average.....	1.1036	1.0291	0.9992

The following table reflects the high, low and average rates of exchange in Canadian dollars for one United States dollar for the periods noted, based on the Bank of Canada noon spot rate of exchange.

	Fiscal Year Ended		
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
High.....	0.9422	1.0164	1.0299
Low.....	0.8589	0.9348	0.9599
Average.....	0.9061	0.9717	1.0008

On February 17, 2015, the noon buying rate as reported by the Bank of Canada was US\$1.00 = Cdn\$1.2403 or Cdn\$1.00 = US\$0.8063.

FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated by reference herein contain forward-looking information (as defined in National Instrument 51-102—*Continuous Disclosure Obligations*) (collectively referred to herein as “**forward-looking information**” or “**forward-looking statements**”).

Forward-looking statements include, but are not limited to: statements with respect to the Corporation's objectives, guidance, targets, goals, priorities, its market and strategies, financial position, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; expected growth in demand for products and services; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; the Corporation's competitive position; the expected impact of the legislative and regulatory environment and legal proceedings on the Corporation's business and operations; the

Corporation's available liquidities and the Corporation's capital raising plan. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "anticipate", "plan", "foresee", "believe", "continue", "maintain" or "align", the negative of these terms, variations of them or similar terminology.

By their nature, forward-looking statements require the Corporation to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause the Corporation's actual results in future periods to differ materially from forecasted results. While the Corporation considers its assumptions to be reasonable and appropriate based on information currently available, there is a risk that they may not be accurate. For additional information with respect to the assumptions underlying the forward-looking statements made in this Prospectus, refer to the respective "Guidance and forward-looking statements" sections in the "Overview", "Bombardier Aerospace" and "Bombardier Transportation" sections in the 2014 MD&A, incorporated by reference herein.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: risks associated with general economic conditions; risks associated with the Corporation's business environment (such as risks associated with the financial condition of the airline industry and major rail operators); operational risks (such as risks related to developing new products and services; doing business with partners; product performance warranty and casualty claim losses; regulatory and legal proceedings; the environment; dependence on certain customers and suppliers; human resources; fixed price commitments and production and project execution); risks relating to the Corporation's ability to implement its capital raising plan and mitigate potential liquidity underperformance; financing risks (such as risks related to liquidity and access to capital markets, exposure to credit risk, certain restrictive debt covenants, financing support provided for the benefit of certain customers and reliance on government support); and market risks (such as risks related to foreign currency fluctuations, changing interest rates, decreases in residual value and increases in commodity prices). For more details, see the "Risks and Uncertainties" section in the 2014 MD&A, incorporated by reference herein. Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. The forward-looking statements set forth herein reflect the Corporation's expectations as at the date of this Prospectus 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 Prospectus are expressly qualified by this cautionary statement.

MARKET AND INDUSTRY DATA

Market data and certain industry statistics used in this Prospectus or the documents incorporated herein by reference were obtained from internal surveys, market research, publicly available information and industry publications. External industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys and industry and market data, while believed to be reliable, have not been independently verified, and neither we nor any of the Dealers make any representation as to the accuracy or completeness of such information. While we are not aware of any misstatements regarding any industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Forward-Looking Statements" and "

Risk Factors" in this Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference into this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Corporation at 800 René-Lévesque Boulevard West, Montréal, Québec H3B 1Y8. Copies of the documents are also available through the internet

on the Canadian System for Electronic Document and Retrieval (SEDAR) under the Corporation's name, which can be accessed at www.sedar.com.

The following documents, filed with the securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

- the annual information form of the Corporation for the year ended December 31, 2014, dated February 12, 2015, including documents incorporated by reference therein;
- the audited consolidated financial statements of the Corporation, including the notes thereto, for the years ended December 31, 2014 and December 31, 2013, and the report of the independent auditors thereon (the **"2014 Annual Financial Statements"**);
- management's discussion and analysis of financial condition and results of operations of the Corporation for the year ended December 31, 2014 (the **"2014 MD&A"**);
- the management information circular of the Corporation dated March 3, 2014 with respect to the annual meeting of shareholders of Bombardier held on May 1, 2014 (the **"2014 Information Circular"**);
- the material change report dated January 20, 2015, announcing the pause of the Corporation's *Learjet 85* business aircraft program;
- the material change report dated February 18, 2015, announcing, *inter alia*, the Corporation's capital raising plan, certain changes in senior management, and the suspension of the declaration of dividends on the Corporation's Class A Shares and Class B Subordinate Voting Shares;
- the template version of the investor presentation of the Corporation dated February 13, 2015 (the **"Initial Investor Presentation"**) filed on SEDAR on February 13, 2015;
- the revised template version of the investor presentation of the Corporation dated February 18, 2015 (the **"Revised Investor Presentation"**) filed on SEDAR on February 18, 2015;
- the table titled "Commercial aircraft order backlog and options" at p. 84 of management's discussion and analysis of financial condition and results of operations of the Corporation for the year ended December 31, 2012; and
- the table titled "Commercial aircraft order backlog and options" at p. 99 of management's discussion and analysis of financial condition and results of operations of the Corporation for the year ended December 31, 2011.

Any documents of the types referred to in the preceding paragraphs and any material change reports (excluding confidential reports), business acquisition reports, or news releases issued by the Corporation that specifically states that it is to be incorporated by reference into this Prospectus and any other documents as may be required to be incorporated by reference herein under applicable Canadian securities laws which are filed by the Corporation with the securities regulatory authorities in any of the provinces of Canada subsequent to the date of this Prospectus and prior to the completion or withdrawal of the distribution of Securities shall be deemed to be incorporated by reference into this Prospectus. Updated earnings coverage ratios, if required, will be filed quarterly with the applicable securities regulatory authorities in Canada either as Prospectus Supplements or as exhibits to Bombardier's unaudited interim and audited annual consolidated financial statements and will be deemed to be incorporated by reference into this Prospectus for the purposes of the offering of Securities hereunder.

A Prospectus Supplement containing the specific terms in respect of any Securities will be delivered, together with this Prospectus, to purchasers of such Securities and will be deemed incorporated in this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement, but only for the purposes of the distribution of the Securities to which such Prospectus Supplement pertains.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded, for

purposes of this Prospectus, to the extent that a statement contained in this Prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference in this Prospectus, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Upon a new annual information form and annual audited consolidated financial statements and related management's discussion and analysis being filed by Bombardier with, and where required, accepted by, the applicable securities regulatory authorities during the time that this Prospectus is valid, the previous annual information form, annual audited consolidated financial statements and related management's discussion and analysis and all unaudited comparative consolidated financial statements and related management's discussion and analysis, and all material change reports and any information circular filed prior to the commencement of Bombardier's financial year in which the new annual information form is filed, shall be deemed no longer incorporated by reference into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

MARKETING MATERIALS

Any "template version" of "marketing materials" (as those terms are defined in National Instrument 41-101—*General Prospectus Requirements*) pertaining to a distribution of Securities will be filed on SEDAR and incorporated by reference in this Prospectus. In the event that such marketing materials are filed after the date of the applicable Prospectus Supplement for the offering and before termination of the distribution of such Securities, such filed versions of the marketing materials will be deemed to be incorporated by reference into the applicable Prospectus Supplement for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The Initial Investor Presentation and the Revised Investor Presentation do not form part of this Prospectus to the extent that the contents of the Initial Investor Presentation have been modified or superseded by a statement contained in this Prospectus.

Statements included in the Initial Investor Presentation have been modified mainly to delete page 26 from the Initial Investor Presentation. Pursuant to Section 13.7(7) of National Instrument 41-101 – *General Prospectus Requirements*, the Corporation has prepared a revised template version of such presentation, which has been blacklined to reflect the modified statements. The foregoing summary of modifications is not exhaustive and is qualified by the information contained in the Revised Investor Presentation and the blacklined version of such document which have been filed with the securities regulatory authorities of each of the provinces of Canada and can be viewed under the Corporation's profile at www.sedar.com. The Revised Investor Presentation has also been incorporated by reference in this Prospectus.

CORPORATE STRUCTURE

Bombardier was incorporated by letters patent under the laws of Canada on June 19, 1902 and was continued under the Canada Business Corporations Act ("**CBCA**") by a certificate of continuance dated June 23, 1978, which was subsequently the subject of certain amendments.

Over the years, the Corporation has filed articles of amendment in order to, among other things, change the structure of its authorized share capital, including to change the rights, privileges, restrictions and conditions attached thereto, reflect various two-for-one stock splits of the Class A Shares and Class B Subordinate Voting Shares, and filed articles of amalgamation to reflect mergers and amalgamations with, among others, various subsidiaries and affiliates.

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

BUSINESS OF THE CORPORATION

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

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

Bombardier Business Aircraft

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

Bombardier Commercial Aircraft

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

Bombardier Aerostructures and Engineering Services

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

Bombardier Transportation

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

RECENT DEVELOPMENTS

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

CONSOLIDATED CAPITALIZATION

There have been no material changes in Bombardier's share or loan capital on a consolidated basis since December 31, 2014.

AMENDMENT TO ARTICLES AND SHAREHOLDERS MEETING

The number of Class B Subordinate Voting Shares which the Corporation is authorized to issue, as specified in its authorized share capital, is limited. Accordingly, in order to provide the Corporation with the ability to issue Class B Subordinate Voting Shares in an offering of Securities and to provide for the flexibility required to access the capital markets for future financing needs, to have available Class B Subordinate Voting Shares for the purpose of compensation plans of the Corporation and for such other purposes as the Board deems to be in the best interests of the Corporation, the Corporation proposes to proceed to the amendment (the "**Amendment**") of its Articles of Amalgamation dated January 2, 2013 (the "**Articles**"), to increase the number of Class A Shares and Class B Subordinate Voting Shares which it is authorized to issue from 1,892,000,000 to 2,742,000,000. The increase in the number of Class A Shares authorized to be issued is required under the laws governing the Corporation and the Articles of the Corporation because the Class B Subordinate Voting Shares are in certain circumstances convertible into Class A Shares and, as such, the Corporation must reserve a sufficient number of Class A Shares for conversion purposes. See "Description of Share Capital—Class A Shares and Class B Subordinate Voting Shares—Conversion Privilege".

A special meeting of holders of Class A Shares and Class B Subordinate Voting Shares (the "**Shareholders Meeting**") is required for the purpose of approving the Amendment. The Corporation intends to convene the Shareholders Meeting to be held on or about March 27, 2015, at which meeting the Corporation will be seeking Shareholder Approval (as defined below), in accordance with its Articles. It is expected that an information circular in respect of the Shareholders Meeting will be mailed to the Corporation's shareholders on or about February 24, 2015, and will be filed on SEDAR on such date and incorporated by reference in the final short form base shelf prospectus.

Shareholders of record on February 24, 2015 will be entitled to vote at the Shareholders Meeting. Adoption of the resolution approving the proposed Amendment to the Corporation's Articles requires the approval of 66⅔% of the votes cast by the holders of Class A Shares and Class B Subordinate Voting Shares of the Corporation, present or represented by proxy at the Shareholders Meeting, voting together (the "**Shareholder Approval**"). Mr. J. R. André Bombardier, director of the Corporation and Vice Chairman of the Board, and Mses. Janine Bombardier, Claire Bombardier Beaudoin and Huguette Bombardier Fontaine (the "**Principal Shareholders**"), currently exercising control or direction over 249,199,910 Class A Shares and 1,118,275 Class B Subordinate Voting Shares, representing 54.35% of the total votes attached to the Class A Shares and Class B Subordinate Voting Shares, as well as Messrs. Laurent Beaudoin, Jean-Louis Fontaine and Pierre Beaudoin, currently exercising control or direction over 17,663,275 Class A Shares and 1,594,501 Class B Subordinate Voting Shares, representing 3.89% of the total votes attached to the Class A Shares and Class B Subordinate Voting Shares and, collectively with the shares held by the Principal Shareholders, 58.24% of the total votes attached to the Class A Shares and Class B Subordinate Voting Shares, have agreed to vote in favour of the resolution approving the Amendment. See "Principal Shareholders". If the Amendment is approved by the holders of Class A Shares and Class B Subordinate Voting Shares in the required manner, it is expected that articles of amendment in prescribed form will be filed with Industry Canada and that the Amendment will become effective on or about March 27, 2015.

DESCRIPTION OF SHARE CAPITAL

Authorized Share Capital and Outstanding Shares

The authorized capital of the Corporation consists of (i) an unlimited number of preferred shares without nominal or par value issuable in series (the “**Preferred Shares**”), of which 12,000,000 have been designated as the Series 2 Preferred Shares, 12,000,000 have been designated as the Series 3 Preferred Shares and 9,400,000 have been designated as the Series 4 Preferred Shares, (ii) 1,892,000,000 Class A Shares, and (iii) 1,892,000,000 Class B Subordinate Voting Shares. As at February 17, 2015, the Corporation had 9,692,521 Series 2 Preferred Shares, 2,307,479 Series 3 Preferred Shares, 9,400,000 Series 4 Preferred Shares, 314,273,255 Class A Shares and 1,444,132,126 Class B Subordinate Voting Shares.

The Class B Subordinate Voting Shares are restricted securities (within the meaning of the relevant Canadian regulations respecting securities) in that they do not carry equal voting rights as the Class A Shares. The offering of Securities is exempt from the requirements of Item 12.3 of Part 12 of Regulation 41-101—*General Prospectus Requirements*, in light of the fact that the Class B Subordinate Voting Shares were created before December 21, 1984. In the aggregate, all of the voting rights associated with the Class B Subordinate Voting Shares represented, as at December 31, 2014, 31.48% of the voting rights attached to all of the issued and voting securities of the Corporation.

See “Amendment to Articles and Shareholders Meeting” for details on a proposed Amendment to the Corporation's Articles to increase the number of Class A Shares and Class B Subordinate Voting Shares which it is authorized to issue.

Class A Shares and Class B Subordinate Voting Shares

Subordination and Voting Rights

The Class A Shares and the Class B Subordinate Voting Shares rank after the Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation. At each meeting of shareholders of the Corporation, except those meetings where only the holders of shares of another class or of a particular series are entitled to vote, each Class A Share entitles the holder thereof to 10 votes and each Class B Subordinate Voting Share entitles the holder thereof to one vote, provided, however, that if the Corporation proposes to (i) amalgamate with any corporation other than one or more wholly-owned subsidiaries of the Corporation, or (ii) sell, lease or transfer or otherwise dispose of its properties and assets substantially as an entirety to a corporation other than one or more wholly-owned subsidiaries of the Corporation or (iii) voluntarily liquidate, dissolve or wind up or distribute its assets among its shareholders for the purpose of winding up its affairs, the holders of Class B Subordinate Voting Shares, in addition to any other approval that may be required, shall be entitled to vote separately as a class upon the proposal.

Dividends and Liquidation

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

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

Subdivision or Consolidation

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

Conversion Privilege

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

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

Preferred Shares as a Class

Issuable in Series

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

Priority

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

Dividends

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

Rights on Liquidation

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

Voting Rights

The holders of Preferred Shares do not have the right to receive notice of, attend, or vote at, any meeting of shareholders except to the extent otherwise provided in the Articles of the Corporation with respect to any series

of Preferred Shares or when holders of Preferred Shares are entitled to vote separately as a class or as a series as set forth in the CBCA or any successor statute, as amended from time to time. In connection with any matter requiring the approval of the Preferred Shares as a class, each holder is entitled to one vote for each dollar of the issue price of the Preferred Shares held. Each holder of Preferred Shares of a particular series shall be entitled, on a series vote, to one vote for each Preferred Share of such series held. Holders of Preferred Shares have no pre-emptive rights.

Modifications

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

Series 2 Preferred Shares

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

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

Series 3 Preferred Shares

The Series 3 Preferred Shares are non-voting (except if the Corporation fails to pay in full eight quarterly dividends, until all arrears of dividends on the Series 3 Preferred Shares have been paid), redeemable at the Corporation's option (with respect to all and not less than all outstanding Series 3 Preferred Shares) at Cdn\$25.00 per share (together with accrued and unpaid dividends) on August 1, 2017 and on August 1 of every fifth year thereafter, convertible on a one-for-one basis at the option of the holder on August 1, 2017 and on August 1 of every fifth year thereafter into Series 2 Preferred Shares. Fourteen days preceding a conversion date, if the Corporation determines after having taken into account all shares tendered for conversion by holders that there would be less than 1,000,000 outstanding Series 3 Preferred Shares on the conversion date, the remaining number shall be automatically converted into an equal number of Series 2 Preferred Shares. Likewise, if the Corporation determines fourteen days before the conversion date that at such time, there would

be less than 1,000,000 outstanding Series 2 Preferred Shares, then no Series 3 Preferred Shares may be converted. The Series 3 Preferred Shares carry an annual dividend rate of 3.134% for the five-year period from August 1, 2012 to and including July 31, 2017, payable quarterly on the last day of January, April, July and October, if declared by the Board of Directors. The quarterly dividend rate will be fixed by the Corporation at least 45 days and not more than 60 days before each subsequent five-year dividend period. Each five-year fixed dividend rate selected by the Corporation shall not be less than 80% of the Government of Canada bond yield as defined in the Articles of Amendment creating the Series 3 Preferred Shares.

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

Series 4 Preferred Shares

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

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

DESCRIPTION OF DEBT SECURITIES

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement.

The Debt Securities will be direct unsecured obligations of Bombardier and will rank equally and rateably with all other unsecured and unsubordinated indebtedness of Bombardier from time to time issued and outstanding.

The Debt Securities will be issued under one or more indentures (each, a "Trust Indenture"), in each case between Bombardier and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee (each, a "Trustee"). The statements made hereunder relating to any Trust Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Trust Indenture.

Each Trust Indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by Bombardier. Any Prospectus Supplement for Debt Securities supplementing this Prospectus will contain terms and other information with respect to the Debt Securities being offered thereby, which may include the following:

- (i) the designation, aggregate principal amount, authorized denominations and ranking of such Debt Securities;
- (ii) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars);
- (iii) the percentage of the principal amount at which such Debt Securities will be issued;
- (iv) the date or dates on which such Debt Securities will mature;
- (v) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any);
- (vi) the dates on which any such interest will be payable and the record dates for such payments;
- (vii) the place or places where principal, premium and interest will be payable;
- (viii) the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued;
- (ix) any redemption term or terms under which such Debt Securities may be defeased;
- (x) whether such Debt Securities are to be issued in registered form, "book-entry only" form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- (xi) any exchange or conversion terms;
- (xii) any terms relating to the modification, amendment or waiver of any terms of such Debt Securities or the applicable indenture; and
- (xiii) any other specific terms.

Debt Securities may, at the option of Bombardier, be issued in fully registered form, in "book-entry only" form or may be uncertificated. Debt Securities in registered form will be exchangeable for other Debt Securities of the same series and tenor, registered in the same name, for a like aggregate principal amount in authorized denominations and will be transferable at any time or from time to time at the corporate trust office of the Trustee for such Debt Securities. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

Debt Securities of a single series may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

Bombardier will summarize in the applicable Prospectus Supplement certain terms of the Debt Securities being offered thereby and the relevant Trust Indenture which Bombardier believes will be most important to an investor's decision to invest in the Debt Securities being offered. It is the Trust Indenture, as supplemented by any applicable supplemental indenture, and not this summary, which defines the rights of a holder of Debt Securities. There may be other provisions in the Trust Indenture which are important to a purchaser of Debt Securities. Such purchaser of Debt Securities should read the Trust Indenture for a full description of the terms of the Debt Securities.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The following sets forth certain general terms and provisions of the Subscription Receipts. Bombardier may issue Subscription Receipts that may be exchanged by the holders thereof for Debt Securities, Preferred Shares or Class B Subordinate Voting Shares upon the satisfaction of certain conditions. The particular terms and provisions of the Subscription Receipts offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms described below apply to those Subscription Receipts, will be described in such Prospectus Supplement.

Subscription Receipts may be offered separately or together with Debt Securities, Preferred Shares or Class B Subordinate Voting Shares, as the case may be. The Subscription Receipts will be issued under a subscription receipt agreement. Under the subscription receipt agreement, a purchaser of Subscription Receipts will have a contractual right of rescission following the issuance of Debt Securities, Preferred Shares or Class B Subordinate Voting Shares, as the case may be, to such purchaser, entitling the purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Debt Securities, Preferred Shares or Class B Subordinate Voting Shares, as the case may be, if this Prospectus, the relevant Prospectus Supplement, and any amendment thereto, contains a misrepresentation, provided such remedy for rescission is exercised within 180 days of the date the Subscription Receipts are issued.

Any Prospectus Supplement for Subscription Receipts supplementing this Prospectus will contain the terms and conditions and other information with respect to the Subscription Receipts being offered thereby, including:

- (i) the number of Subscription Receipts;
- (ii) the price at which the Subscription Receipts will be offered and whether the price is payable in installments;
- (iii) any conditions to the exchange of Subscription Receipts into Debt Securities, Preferred Shares or Class B Subordinate Voting Shares, as the case may be, and the consequences of such conditions not being satisfied;
- (iv) the procedures for the exchange of the Subscription Receipts into Debt Securities, Preferred Shares or Class B Subordinate Voting Shares, as the case may be;
- (v) the number of Debt Securities, Preferred Shares or Class B Subordinate Voting Shares, as the case may be, that may be exchanged upon exercise of each Subscription Receipt;
- (vi) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- (vii) the dates or periods during which the Subscription Receipts may be exchanged into Debt Securities, Preferred Shares or Class B Subordinate Voting Shares, as the case may be;
- (viii) whether such Subscription Receipts will be listed on any securities exchange;
- (ix) any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; and
- (x) any other specific terms.

Subscription receipt certificates will be exchangeable for new subscription receipt certificates of different denominations at the office indicated in the applicable Prospectus Supplement. Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the securities subject to the Subscription Receipts.

DESCRIPTION OF WARRANTS

The following sets forth certain general terms and provisions of the Warrants.

Bombardier may issue Warrants for the purchase of Debt Securities, Preferred Shares or Class B Subordinate Voting Shares. Warrants may be issued independently or together with Debt Securities, Preferred Shares or Class B Subordinate Voting Shares offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Warrants will be issued under one or more warrant agreements between Bombardier and a warrant agent that Bombardier will name in the relevant Prospectus Supplement.

Bombardier will deliver an undertaking to the securities regulatory authority in each of the provinces of Canada that Bombardier will not distribute Warrants that, according to the aforementioned terms as described in the Prospectus Supplement for Warrants supplementing this Prospectus, are “novel” specified derivatives or “long-term” or “stand-alone” warrants within the meaning of Canadian securities rules, separately to any member of the public in Canada unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction or unless the Prospectus Supplement containing the specific terms of the Warrants to be distributed separately is first approved for filing by or on behalf of the securities commissions or similar regulatory authorities in each of the provinces of Canada where the Warrants will be distributed.

Selected provisions of the Warrants and the warrant agreements are summarized below. This summary is not complete. The statements made in this Prospectus relating to any warrant agreement and Warrants to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement.

Any Prospectus Supplement for Warrants supplementing this Prospectus will contain the terms and other information with respect to the Warrants being offered thereby, including:

- (i) the designation of the Warrants;
- (ii) the aggregate number of Warrants offered and the offering price;
- (iii) the designation, number and terms of the Debt Securities, Preferred Shares or Class B Subordinate Voting Shares or other securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- (iv) the exercise price of the Warrants;
- (v) the dates or periods during which the Warrants are exercisable;
- (vi) the designation and terms of any securities with which the Warrants are issued;
- (vii) if the Warrants are issued as a unit with another security, the date on and after which the Warrants and the other security will be separately transferable;
- (viii) the currency or currency unit in which the exercise price is denominated;
- (ix) any minimum or maximum amount of Warrants that may be exercised at any one time;
- (x) whether such Warrants will be listed on any securities exchange;
- (xi) any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- (xii) any rights, privileges, restrictions and conditions attaching to the Warrants; and

(xiii) any other specific terms.

Warrant certificates will be exchangeable for new warrant certificates of different denominations at the office indicated in the applicable Prospectus Supplement. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the securities subject to the Warrants.

Modifications

Bombardier may amend the warrant agreements and the Warrants, without the consent of the holders of the Warrants, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Warrants. Other amendment provisions will be as indicated in the applicable Prospectus Supplement.

Enforceability

The warrant agent will act solely as Bombardier's agent. The warrant agent will not have any duty or responsibility if Bombardier defaults under the warrant agreements or the warrant certificates. A Warrant holder may, without the consent of the warrant agent, enforce by appropriate legal action on its own behalf the holder's right to exercise the holder's Warrants.

EARNINGS COVERAGE RATIOS

Earnings coverage ratios will be provided as required in the Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

PLAN OF DISTRIBUTION

Bombardier may offer and sell the Securities (i) to or through underwriters or dealers purchasing as principals, (ii) directly to one or more purchasers pursuant to applicable statutory exemptions, or (iii) through agents. The Securities may be sold from time to time in one or more transactions at fixed prices or non-fixed prices, such as prices determined by reference to the prevailing price of the specified securities in a specified market, at market prices prevailing at the time of sale or at prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities; consequently, any dealer's overall compensation will increase or decrease by the amount by which the aggregate price paid for the Securities by the purchasers exceeds or is less than the gross proceeds paid by the dealers, acting as principals, to the Corporation.

If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a *bona fide* effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Corporation.

The Prospectus Supplement for any of the Securities being offered thereby will set forth the terms of the offering of such Securities, including the type of security being offered, the name or names of any underwriters, dealers or agents, the purchase price of such Securities (or the manner of determination thereof if offered on a non-fixed price basis), the proceeds to Bombardier from such sale, any underwriting discounts and other items constituting underwriters' compensation, any public offering price and any discounts or concessions allowed or reallocated or paid to dealers. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby.

The Dealers will be authorized, as agents of the Corporation, for such purpose only, to solicit offers from time to time to purchase Securities in each of the provinces of Canada, directly and through other investment dealers

approved by the Corporation. The rate of compensation payable in connection with sales by the Dealers of Securities will be as determined by agreement between the Corporation and the Dealers.

The Securities may be purchased from time to time by any of the Dealers as an underwriter or dealer purchasing as principals, at such prices and at such rates of compensation as may be agreed upon between the Corporation and such Dealers, for resale to the public at prices to be negotiated with each purchaser. Such resale prices may vary during the distribution period and as between purchasers. Where the Securities are purchased by the Dealer(s) as principal(s), each Dealer's compensation will be increased or decreased by the amount by which the aggregate price paid for the Securities by the purchasers exceeds or is less than the gross proceeds paid by the Dealers to the Corporation. If any of the Dealers act as an underwriter in purchasing Securities as principal for resale to the public, the obligations of the underwriter(s) to purchase such Securities will be subject to certain conditions precedent, and the underwriter(s) will be obligated to purchase all such Securities offered if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may be changed from time to time.

The Corporation may also from time to time (i) select one or more additional investment dealers to offer Securities pursuant to a dealer agreement, (ii) enter into separate agreements with investment dealers other than the Dealers mentioned herein to solicit offers to purchase Securities and (iii) offer the Securities to one or more purchasers directly at such prices and terms as may be negotiated by the Corporation with any such purchasers.

The Securities may also be sold directly by Bombardier at such prices and upon such terms as agreed to by Bombardier and the purchaser or through agents designated by Bombardier from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by Bombardier to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent would be acting on a best efforts basis for the period of its appointment. Bombardier may agree to pay the underwriters, dealers or agents a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission will be paid out of the general corporate funds of Bombardier.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with Bombardier to indemnification by Bombardier against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof.

Each series or issue of Debt Securities, Subscription Receipts or Warrants will be a new issue of securities with no established trading market. In connection with any offering of the Securities, the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. Such transactions, if commenced, may be discontinued at any time. Any underwriters, dealers or agents to or through whom Securities are sold by the Corporation for public offering and sale may make a market in the Securities, but such underwriters, dealers or agents will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that a trading market in the Securities of any series or issue will develop or as to the liquidity of any trading market for the Securities.

The Corporation and, if applicable, the Dealers reserve the right to reject any offer to purchase Securities in whole or in part. The Corporation also reserves the right to withdraw, cancel or modify any offering of Securities under this Prospectus without notice.

Unless otherwise specified in a Prospectus Supplement, the Securities will not be registered under the United States Securities Act of 1933, as amended or the securities law of any state of the United States of America.

RELATIONSHIP BETWEEN THE CORPORATION AND THE DEALERS

NBF, UBS, CIBC and Citi are affiliates of financial institutions that are members of a syndicate of lenders that have made available to the Corporation US\$1.35 billion of credit facilities (the “**BI/BA Facilities**”).

The BI/BA Facilities comprise (i) a US\$600 million facility (increasable, subject to specified terms and conditions, to up to US\$750 million) which is available for issuances of letters of credit, letters of guarantee, bid bonds, performance bonds, performance guarantees or similar instruments for the general corporate purposes of the Bombardier Aerospace group (and not the Bombardier Transportation group) (the “**BI/BA LC Facility**”), and (ii) a US\$750 million revolving credit facility (the “**BI/BA Revolving Credit Facility**”), which may be used for the general corporate purposes of the Corporation. As of December 31, 2014, the BI/BA Revolving Credit Facility is undrawn and letters of credit totaling \$261 million were issued under the BI/BA LC Facility.

In addition, UBS, CIBC and Citi are affiliates of financial institutions that are members of a syndicate of lenders that has made available a €500 million (\$607 million) unsecured revolving credit facility to Bombardier Transportation (the “**BT Revolving Credit Facility**”). As of December 31, 2014, no amount was drawn under the BT Revolving Credit Facility.

Accordingly, under applicable securities laws, the Corporation may be considered a “connected issuer” of such Dealers.

As at the date hereof, the Corporation is in compliance with all material terms of the BI/BA Facilities and the BT Revolving Credit Facility. Since the execution of the BI/BA Facilities and the BT Revolving Credit Facility, the lenders have not waived a breach on the part of the Corporation of the BI/BA Facilities and the BT Revolving Credit Facility. The financial position of the Corporation has not changed in any material manner since the BI/BA Facilities and the BT Revolving Credit Facility were entered into, except as disclosed herein or in the documents incorporated by reference.

The decision to distribute Securities and the determination of the terms of the offering will be made through negotiations between the Corporation and the Dealers. **None of the Dealers will receive any benefit from the offering of Securities other than its portion of the remuneration payable by the Corporation on the principal amount of the Securities sold through or to such Dealers. See “Plan of Distribution”.**

Certain of the Dealers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Corporation, for which they received or will receive customary fees.

Each of NBF and CIBC own or control an equity interest in the TMX Group Limited (“**TMX**”) and have a nominee director serving on its board. As such, NBF and CIBC may be considered to have an economic interest in the listing of securities on an exchange owned or operated by TMX, including the TSX, the TSX Venture Exchange and the Alpha Exchange (each, an “**Exchange**”). No person or company is required to obtain products or services from TMX or its affiliates as a condition of NBF and CIBC supplying or continuing to supply a product or service. Each of NBF and CIBC does not require the Corporation to list securities on any of the Exchanges as a condition of supplying or continuing to supply underwriting and/or any other services.

PRINCIPAL SHAREHOLDERS

To the knowledge of the Corporation, as of the date hereof, the only persons who 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 Principal Shareholders. The Principal Shareholders indirectly control, through holding companies, 249,199,910 Class A Shares and 1,118,275 Class B Subordinate Voting Shares, representing in the aggregate 79.29% of the outstanding Class A Shares and 0.08% of the outstanding Class B Subordinate Voting Shares of the Corporation and 54.35% of all the voting rights attached to all the shares of the Corporation. We refer to the information disclosed in the notes (A), (E), (F) and (G) on page 14 of the 2014 Information Circular, incorporated by reference herein, as to the number of Class A shares and Class B Subordinate Voting Shares directly or indirectly held by each of the Principal Shareholders.

USE OF PROCEEDS

The use of proceeds of the sale of each series of Securities will be described in the Prospectus Supplement relating to the specific issuance of Securities.

All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the Corporation's general funds.

PRIOR SALES

Other than as described below or in the documents incorporated by reference herein, during the 12-month period before the date of this Prospectus, the Corporation has not issued any Securities or any securities that are convertible into or exercisable for Securities.

<u>Date of Issue</u>	<u>Type of Securities</u>	<u>No. of Securities</u>	<u>Issue or Exercise Price per Security</u>	<u>Reason for Issue</u>
February 21, 2014	Stock Options for Class B Subordinate Voting Shares	188,092	\$3.61	Grant of Stock Options
March 31, 2014	Deferred stock units (" DSUs ")	8,052	\$4.11	Grant of DSUs
May 13, 2014	Class B Subordinate Voting Shares	23,000	\$3.45	Stock Option Exercise
June 30, 2014	DSUs	8,832	\$3.77	Grant of DSUs
August 8, 2014	Stock Options for Class B Subordinate Voting Shares	714,924	\$3.73	Grant of Stock Options
August 8, 2014	Class B Subordinate Voting Shares	25,910	\$3.82	DSU Exercise
September 30, 2014	DSUs	8,717	\$3.77	Grant of DSUs
November 6, 2014	Stock Options for Class B Subordinate Voting Shares	7,727,168	\$3.78	Grant of Stock Options
November 6, 2014	DSUs	2,316,676	\$3.82	Grant of DSUs
November 6, 2014	Class B Subordinate Voting Shares	21,737	\$3.82	DSU Exercise
November 7, 2014	Class B Subordinate Voting Shares	196,508	\$3.91	DSU Exercise
November 13, 2014	Class B Subordinate Voting Shares	25,000	\$3.45	Stock Option Exercise
November 18, 2014	Class B Subordinate Voting Shares	24,346	\$4.10	DSU Exercise
November 21, 2014	Class B Subordinate Voting Shares	40,000	\$3.45	Stock Option Exercise

<u>Date of Issue</u>	<u>Type of Securities</u>	<u>No. of Securities</u>	<u>Issue or Exercise Price per Security</u>	<u>Reason for Issue</u>
November 27, 2014	Class B Subordinate Voting Shares	22,000	\$3.45	Stock Option Exercise
December 31, 2014	DSUs	6,487	\$4.15	Grant of DSUs

RISK FACTORS

An investment in any Securities involves significant risks. Any prospective investor should carefully consider, in light of their own financial circumstances, the risk factors set out herein and all of the other information contained herein and described in the documents incorporated by reference in this Prospectus (including, without limitation, subsequently filed documents deemed to be incorporated by reference and, if applicable, those described in a Prospectus Supplement relating to a specific offering of Securities, and specifically under the section entitled “Risks and Uncertainties” in the 2014 MD&A) before purchasing any Securities. If any of the events described in these risk factors actually occur, our business, financial condition, prospects, results of operations or cash flow could be materially and adversely affected. These risks are not the only risks facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially and adversely affect its business. We cannot assure you that any of the events discussed in these risk factors will not occur. If any of such events does occur, you may lose all or part of your original investment in securities of the Corporation.

General economic risk	Potential loss due to unfavourable economic conditions, such as a macroeconomic downturn in key markets, could result in potential buyers postponing the purchase of the Corporation's products or services, lower order intake, order cancellations or deferral of deliveries, lower availability of customer financing, an increase in the Corporation's involvement in customer financing, downward pressure on selling prices, increased inventory levels, decreased level of customer advances, slower collection of receivables, reduction in production activities, paused or discontinued production of certain products, termination of employees or adverse impacts on suppliers.
Business environment risk	Business environment risk is the risk of potential loss due to external risk factors. These factors may include the financial condition of the airline industry, business aircraft customers and major rail operators; government policies related to import and export restrictions and business acquisitions; changing priorities and possible spending cuts by government agencies; government support for export sales; world trade policies including specific regional trade practices; increased competition from other businesses including new entrants in market segments in which the Corporation competes; as well as scope clauses in pilot union agreements restricting the operation of smaller jetliners by major airlines or by their regional affiliates. In addition, acts of terrorism, natural disasters, global health risks, political instability or the outbreak of war or continued hostilities in certain regions of the world could result in lower orders or the rescheduling or cancellation of part of the existing order backlog for some of the Corporation's products.
Operational risk	Operational risk is the risk of potential loss due to the nature of the Corporation's operations. Sources of operational risk include development of new products and services; development of new business; actions of business partners; product performance warranty and casualty claim losses; regulatory and legal conditions; environmental, health and safety issues; as well as dependence on customers, suppliers, partners and human resources. In addition, the large and complex projects which are common in the Corporation's capital intensive businesses are often structured as fixed-price contracts and thus exposed to production and project execution risks. The Corporation is also subject to risks related to problems with supply chain management, reliance on information systems, reliance on intellectual property rights as well as the successful integration of new business acquisitions.
Financing plan	The Corporation's ability to achieve its business and cash generation plans is based on a number of assumptions which involve significant judgments and estimates of future performance, borrowing capacity and credit availability, which cannot at all times be assured. The Corporation has taken the initiative to launch a financing plan. The components of this plan include, <i>inter alia</i> , potential equity financing and debt capital markets financings. To complement the financing plan, the Corporation will explore other initiatives such as certain business activities' potential participation in industry consolidation in order to reduce debt. There are no assurances that the Corporation will be able to implement this plan or any particular strategic options or complete on favourable terms and timing or at all, and, if implemented, that such actions would have the planned results, which may have an adverse effect on the Corporation's business, results, liquidity and financial condition.
Financing risk	Financing risk is the risk of potential loss related to the liquidity of the Corporation's financial assets, including counterparty credit risk; access to capital markets; restrictive debt covenants; financing support provided for the benefit of certain customers; and government support.
Market risk	Market risk is the risk of potential loss due to adverse movements in market factors, including foreign currency fluctuations, changing interest rates, decreases in residual values of assets, increases in commodity prices and inflation rate fluctuations.

Business environment risk

Financial condition of the airline industry and business aircraft customers

The airline industry's financial condition and viability, including airlines' ability to secure financing, can influence the demand for Bombardier Aerospace's ("BA") commercial aircraft. The nature of the airline industry makes it difficult to predict when economic downturns or recoveries will impact the industry and economic cycles may be longer than expected. Continued cost pressures and efforts to achieve acceptable profitability in the airline industry may constrain the selling price of BA's products. Scope clauses in pilot union agreements in the U.S. restrict the operation of smaller jetliners by major airlines or by their regional affiliates and, therefore, may restrict demand in the regional aircraft market.

The purchase of BA's products and services may represent a significant investment for a corporation, an individual or a government. When economic or business conditions are unfavourable, potential buyers may delay the purchase of BA's products and services. The availability of financing is also an important factor and credit scarcity can cause customers to either defer deliveries or cancel orders.

An increased supply of used aircraft as companies restructure, downsize or discontinue operations could also add downward pressure on the selling price of new and used business and commercial aircraft. BA could then be faced with the challenge of finding ways to further reduce costs and improve productivity to sustain a favourable market position at acceptable profit margins. The loss of any major commercial airline or fractional ownership or charter operator as a customer or the termination of a contract could significantly impact BA's financial results.

These challenges could continue in 2015 and beyond. The Corporation recently announced the pause of its *Learjet 85* business aircraft program due to weak market demand in that segment and following a downward revision of the Corporation's business aircraft market forecast. As a result of the Corporation's continuing review of its businesses to reduce cost, improve its manufacturing platform, and better position itself in the marketplace, it may be necessary to curtail even more production or permanently shut down facilities, which could result in asset write-downs at the affected facilities and could materially adversely impact the Corporation's cash flows, results of operations, financial condition and prospects.

Financial condition of the rail industry

The rail industry is usually resilient during economic downturns. Challenging economic and financial conditions in specific areas, however, may have a negative impact on some rail operators. As governments respond to economic crises with austerity measures or by increasing their level of indebtedness to fund economic stimulus plans, it may become more difficult for publicly-owned rail operators to obtain government funding. Funding shortages may result in projects being reduced in size, postponed or even cancelled. Such actions by rail operators or governments would negatively impact Bombardier Transportation's ("**BT**") order intake and revenues and put pressure on the cost structure and prices. In addition, payment terms, including the level and timing of advance payments from BT's customers, may deteriorate and negatively impact cash flows.

Political instability

Political instability in certain regions of the world may be prolonged and unpredictable. A prolongation of political instability could lead to delays or cancellation of orders, deliveries or projects in which the Corporation has invested significant resources, particularly when the customers are state-owned or state-controlled entities.

Force majeure events or natural disasters

Force majeure events or natural disasters (including seismic and severe weather-related events such as ice storms, hurricanes, flooding, tornadoes or other calamities) are unpredictable and may have significant adverse results such as: personal injury or fatality; damage to or destruction of ongoing projects, facilities or equipment; environmental damage; delays or cancellations of orders and deliveries; delays in the receipt of materials from the Corporation's suppliers; delays in projects; or legal liability.

Operational risk

Developing new products and services

Changes as a result of global trends such as climate change, oil scarcity, the rising cost of energy, urbanization, population growth and demographic factors influence customer demands in the Corporation's main markets. To meet customers' needs, the Corporation must continuously develop and design new products, improve existing products and services and invest in and develop new technologies. Introducing new products or technologies requires a significant commitment to R&D investment, including maintaining a significant level of highly skilled employees. Furthermore, the Corporation's investments in new products or technologies may or may not be successful.

Results may be impacted if products are invested in that are not accepted in the marketplace, if customer demand or preferences change, if new products are not approved by regulatory authorities or are not brought to market in a timely manner or if the Corporation's products become obsolete. Cost overruns may be incurred in developing new products and there is the risk that new products will not meet performance specifications to which the Corporation has committed to customers. Despite measures used to protect proprietary information such as confidentiality agreements, patents and licenses, the Corporation may not always be able to enforce the right to intellectual property or preclude misuse of technology.

The Corporation is subject to stringent certification and approval requirements, as well as to the ability of regulatory bodies to perform these assessments on a timely basis, which vary by country and can delay the certification of products. Non-compliance with current or future regulatory requirements imposed by Transport Canada (TC), the U.S. Federal Aviation Administration (FAA), the European Aviation Safety Agency (EASA), the Transport Safety Institute in the U.S., national rail regulatory bodies or other regulatory authorities could result in service interruption of the Corporation's products, fewer sales or slower deliveries, reduction in inventory values or impairment of assets.

In the market segments in which BA competes, competitors are developing numerous aircraft programs, with entries-into-service expected throughout the next decade. BA faces the risk that market share may be eroded if potential customers opt for competitors' products. The Corporation may also be negatively impacted if product support expectations are not met or exceeded or an international presence is not provided for a diverse customer base.

Customer acceptance of BT's highly complex and customized products may be delayed for various reasons, including customer requirements not being met or a divergence in the interpretation of customer requirements, which may also result in delayed deliveries, a build-up of inventories and a consequential financial impact. BT's results could also be negatively impacted if the Corporation fails to design or obtain accreditation for new technologies and platforms on budget and in a timely manner. Further, long-term growth, competitiveness and continued profitability are dependent on the ability to continue to develop product mix and align global presence with worldwide market opportunities.

In the market segments in which BT competes, increased consolidation and competitiveness was recognized in the last years. BT faces the risk that market share may be eroded if these competitors further grow their presence or that pressure on market prices lead to lower margins.

Fixed-price commitments, capital intensive businesses and production and project execution

The Corporation has historically offered, and will continue to offer, virtually all products on fixed price contracts rather than contracts under which payment is determined solely on a time and material basis. Generally, the Corporation cannot terminate contracts unilaterally.

Risks are associated with these fixed-price contracts, including unexpected technological problems, difficulties with partners and subcontractors, logistical difficulties and other execution issues that could lead to cost overruns, late delivery penalties or delays in receiving milestone payments. The Corporation may also incur late delivery penalties in the event of an inability to increase production rates quickly enough to meet commitments. In addition, due to the nature of the bidding process, long-term contract revenues are based, in part, on cost estimates which in turn are subject to a number of assumptions such as forecasted costs of materials, inflation rates, foreign exchange rates, labour productivity, employment levels and salaries, and are influenced by the nature and complexity of the work to be performed. Long-term contract revenues and costs may also vary from initial forecasts due to the impact of change orders and delayed deliveries.

In addition, the Corporation's businesses are capital intensive and require that it regularly incur capital expenditures in order to, among other matters, maintain equipment, increase operating efficiency, continuously develop and design new products, improve existing products and services, invest in and develop new technologies and maintain a significant level of highly skilled employees. If the Corporation's cash flows and capital resources are insufficient to fund its programs and other capital expenditures and debt service obligations, the Corporation could be forced to reduce or delay investments and capital expenditures or to seek

additional debt or equity capital. The Corporation may not be able to effect any such alternative measures, if necessary, on favorable terms or at all.

Business partners

In some of the projects carried out through consortia or other partnership vehicles in which the Corporation participates, partners are jointly and severally liable to the customer. The success of these partnerships is dependent on satisfactory performance by the Corporation and business partners. Failure of the business partners to fulfill their contractual obligations could result in additional financial and performance obligations which could result in increased costs, unforeseen delays or impairment of assets. In addition, a partner withdrawing from a consortium during the bid phase may result in the loss of potential order intake.

Product performance warranty and casualty claim losses

The products that the Corporation manufactures are highly complex and sophisticated and may contain defects that are difficult to detect or correct. These products are subject to detailed specifications, which are listed in the individual contracts with customers, as well as to stringent certification or approval requirements. Defects may be found in products before and after they are delivered to the customer. When discovered, the Corporation may incur significant additional costs to modify and/or retrofit products and may not be able to correct defects in a timely manner or at all. The occurrence of defects and failures in products could give rise to non-conformity costs, including warranty and damage claims, negatively affects the Corporation's reputation and profitability and result in the loss of customers. Correcting such defects could require significant capital investment.

In addition, due to the nature of the Corporation's business, there may be liability claims arising from accidents, incidents or disasters involving products and services that the Corporation has provided, including claims for serious personal injuries or death. These accidents may include misfortunes caused by climatic factors or human error. The Corporation cannot be certain that current insurance coverage will be sufficient to cover one or more substantial claims. Furthermore, there can be no assurance that the Corporation will be able to obtain insurance coverage at acceptable levels and costs in the future.

Regulatory and legal risks

The Corporation is subject to numerous risks relating to current and future regulations, as well as legal proceedings, both present or that may arise in the future, like the harmonization of the European railway market through the new European standards which will require investments in upgrading existing products. The Corporation becomes party to lawsuits in the ordinary course of business, including those involving allegations of late deliveries of goods or services, product liability, product defects, quality problems and intellectual property infringement. Material losses may be incurred relating to litigation beyond the limits or outside the coverage of current insurance and existing provisions for litigation-related losses may not be sufficient to cover the ultimate loss or expenditure. In addition, employee, agent, supplier or partner misconduct or failure to comply with anti-bribery and other government laws and regulations could harm the Corporation's reputation, reduce revenues and profitability, and subject the Corporation to criminal and civil enforcement actions.

Also refer to Note 37 – Commitments and contingencies, to the 2014 Annual Financial Statements, incorporated by reference herein, for information regarding current litigation proceedings, related to the S-Bahn claim and the investigation in Brazil.

Environmental, health and safety risks

The Corporation's products, as well as manufacturing and service activities, are subject to environmental laws and regulations in each operating jurisdiction, governing, among other things: product performance or materials content; energy use and greenhouse gas emissions; air, water and noise pollution; the use, storage, labelling, transportation and disposal or release of hazardous substances; human health risks arising from the exposure to hazardous or toxic materials; and the remediation of soil and groundwater contamination on or under the Corporation's properties (regardless of cause), or on or under other properties and caused by current or past corporate operations.

Environmental regulatory requirements, or enforcements thereof, may become more stringent in the future and the Corporation may incur additional costs to be compliant with such future requirements or enforcements. In addition, there may be contractual or other liabilities for environmental matters relating to businesses, products or properties that the Corporation has closed, sold or otherwise disposed of, or will close, sell or dispose of in the future.

Dependence on customers

The Corporation depends on a limited number of customers and management believe that this dependence will persist. Consequently, the loss of such a customer could result in fewer sales and/or a lower market share. Since the majority of BT's customers are public-sector companies or operate under public contracts, BT's order intake is also dependent on public-sector budgets and spending policies.

Business development

The Corporation's businesses are dependent on obtaining new orders and customers, thus continuously replenishing the order backlog. The Corporation's results may be negatively impacted if the Corporation is unable to effectively execute strategies to gain access to new markets, capture growth or successfully establish roots in new markets.

Dependence on suppliers

The Corporation's manufacturing operations are dependent on a limited number of suppliers for the delivery of raw materials (mainly aluminum, advanced aluminum alloy and titanium) and major systems (such as engines, wings, nacelles, landing gear, avionics, flight controls and fuselages) at BA, and raw materials (mainly steel and aluminum), services (mainly engineering, civil and electrical subcontracts) and major systems (such as brakes, doors, heating, ventilation and air conditioning) at BT. A failure by one or more suppliers to meet performance specifications, quality standards or delivery schedules could adversely affect the Corporation's ability to meet commitments to customers.

Some of these suppliers participate in the development of products such as aircraft or rolling stock platforms. The advancement of many of the Corporation's new product development programs also relies on the performance of these key suppliers and, therefore, supplier delays which go unmitigated could result in delays to a program as a whole. These suppliers subsequently deliver major components and own some of the intellectual property related to key components they have developed. Contracts with these suppliers are therefore on a long-term basis. The replacement of such suppliers could be costly and take a significant amount of time.

Human resources (including collective agreements)

Human resource risk includes the risk of delays in the recruitment of or inability to retain and motivate highly skilled employees, including those involved in R&D and manufacturing activities that are essential to success. In addition, the Corporation is party to several collective agreements that are due to expire at various times in the future. An inability to renew these collective agreements on mutually agreeable terms, as they become subject to renegotiation from time to time, could result in work stoppages or other labour disturbances such as strikes, walk-outs or lock-outs, and/or increased costs of labour, which could adversely affect the Corporation's ability to deliver products and services in a timely manner.

Financing risk

Liquidity and access to capital markets

Sufficient capital resources and continued access to capital markets are required to support the Corporation's capital intensive operating activities and the development of new products. To satisfy these financing needs, the Corporation relies on cash and cash equivalents, cash flows generated by operations, capital market resources such as debt and equity and other financing arrangements such as revolving credit facilities. A decline in credit ratings, a significant reduction in the surety or financing market global capacity, widening credit spreads, changes in the Corporation's outlook or guidance, significant changes in market interest rates or general economic conditions or an adverse perception in bank and capital markets of the Corporation's financial condition or prospects could all significantly increase the cost of financing or impede the Corporation's ability to access financial markets. The Corporation has recently experienced corporate credit ratings downgrades and has been placed under review for possible additional downgrade. The Corporation's credit ratings may be impacted by many factors, including factors outside of the Corporation's control relating to the industries or countries and regions in which it operates, and, accordingly, no assurance can be given that they may not be downgraded in the future. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, may increase the Corporation's borrowing costs.

The Corporation's right to convert into cash certain deposits or investments, held in financing structures to guarantee obligations, may be subject to restrictions. Additionally, in some countries, cash generated by operations may be subject to restrictions on the right to convert and/or repatriate money and may thus not be available for immediate use.

Retirement benefit plan risk

The Corporation is required to make contributions to a number of pension plans, most of which are presently in a deficit position. Pension funding requirements are dependent on regulatory requirements and on the valuations of plan assets and liabilities, which are subject to a number of factors, including expected returns on plan assets, long-term interest rates, as well as applicable actuarial practices and various other assumptions. The potential requirement to make additional contributions as a result of changes to regulations or other factors may reduce the amount of funds available for operating purposes, thus weakening the Corporation's financial condition.

There is no assurance that retirement benefit plan assets will earn the expected rates of return. The ability of retirement benefit plan assets to earn these expected rates of return depends in large part on the performance of capital markets. Market conditions also affect the discount rates used to calculate the Corporation's net retirement benefit liabilities and could also impact retirement benefit costs, cash funding requirements and liquidity position.

Credit risk

The Corporation is exposed to credit risk through derivative financial instruments and other investing activities carried out as part of normal treasury activities, as well as through trade receivables arising from normal commercial activities and through financing activities provided to BA customers primarily in the form of aircraft loans and lease receivables. Reduced liquidity may result if customers or other counterparties are unable to make payment of amounts owed to the Corporation, or delay these payments, which could lead to impairment losses on these assets. Furthermore, if customers experience deteriorating credit quality, the Corporation may need to: i) provide additional direct or indirect financing support to maintain sales, increasing exposure to credit risk, or ii) reduce customers' credit limits, which could negatively affect revenues.

The Corporation also has exposure to banks in the form of i) deposits periodically placed and ii) credit commitments. In the case of the latter, in the event the banks with which the Corporation transacts are unable to withstand regulatory or liquidity pressures, credit facilities, including letter of credit facilities, may become unavailable or extension of such facilities upon their maturity might not be possible.

Substantial debt and significant interest payment requirements

The Corporation currently has, and will continue to have, a substantial amount of debt and significant interest payment requirements. The Corporation's level of indebtedness could have significant consequences, including the following:

- making it more difficult for it to satisfy its obligations with respect to its indebtedness;
- increasing its vulnerability to general adverse economic and industry conditions;
- requiring it to dedicate a substantial portion of its cash flows from operations to making interest and principal payments on its indebtedness, reducing the availability of its cash flows to fund capital expenditures, working capital, acquisitions, new business initiatives and other general corporate purposes;
- limiting its flexibility in planning for, or reacting to, changes in its businesses and the industries in which it operates;
- placing it at a disadvantage compared to its competitors that have less debt or greater financial resources;
- limiting, along with the financial and other restrictive covenants in its indebtedness, among other things, its ability to borrow additional funds on commercially reasonable terms, if at all;
- cause it to monetize assets on terms that may be unfavourable to it; and
- cause it to offer debt or equity securities on terms that may not be favourable to the Corporation or its shareholders.

For more information regarding the Corporation's long-term debt, see notes to the 2014 Annual Financial Statements, incorporated by reference herein.

Restrictive debt covenants

The indentures governing certain of the Corporation's indebtedness, revolving credit facilities and letter of credit facilities contain covenants that, among other things, restrict the ability of the Corporation, and in some cases the ability of its subsidiaries, to:

- incur additional debt and provide guarantees;
- repay subordinated debt;
- create or permit certain liens;
- use the proceeds from the sale of assets and capital stock of subsidiaries;
- pay dividends and make certain other disbursements;
- allow subsidiaries to pay dividends or make other payments;
- engage in certain transactions with affiliates; and
- enter into certain consolidations, mergers or transfers of all or certain assets.

These restrictions could impair the Corporation's ability to finance future operations or capital needs, or engage in other business activities that may be beneficial.

The Corporation is subject to various financial covenants under the BA and BT letter of credit facilities and unsecured revolving credit facilities which must be met on a quarterly basis. The BA \$600-million letter of credit facility and the \$750-million unsecured revolving facility include financial covenants requiring a minimum EBITDA to fixed charges ratio, a maximum net debt to EBITDA ratio and a minimum liquidity level of \$500 million, all calculated based on an adjusted consolidated basis (i.e. excluding BT). BT's €3.5-billion letter of credit facility and €500-million unsecured revolving facility require a minimum liquidity level of €600 million as well as a minimum equity level and a maximum debt to EBITDA ratio, all calculated on a BT stand-alone basis. These terms and ratios are defined in their respective agreements and do not correspond to the Corporation's global metrics or to specific terms used in this Prospectus or the documents incorporated by reference herein, including the 2014 MD&A.

The Corporation's ability to comply with these covenants may also be affected by events beyond its control. A breach of any of these agreements or the inability to comply with these covenants could result in a default under these facilities, which would permit the Corporation's banks to request immediate defeasance or cash cover of all outstanding letters of credit, and bond holders and other lenders to declare amounts owed to them to be immediately payable. If any of these facilities is accelerated, or the Corporation is subject to significant cash cover calls, the Corporation may not have access to sufficient liquidity or credit to refinance such facilities. In addition, if the Corporation incurs additional debt in the future, it may be subject to additional covenants, which may be more restrictive than those that it is subject to now.

Financing support provided for the benefit of certain customers

From time to time, the Corporation provides aircraft financing support to customers. This support may include, directly or indirectly, credit and residual value guarantees or guarantee of a maximum credit spread, to support financing for certain customers such as airlines or to support financing by certain special purpose entities created solely i) to purchase commercial aircraft and to lease those aircraft to airline companies or ii) to purchase financial assets such as loans and lease receivables related to the sale of commercial aircraft. Under these arrangements, the Corporation is obligated to make payments to a guaranteed party in the event that the original debtor or lessee does not make the loan or lease payments, or if the market or resale value of the aircraft is below the guaranteed residual value amount at an agreed-upon date. A substantial portion of these guarantees has been extended to support original debtors or lessees with less than investment grade credit ratings.

Government support

From time to time, the Corporation receives various types of government financial support. Some of these financial support programs require the repayment of amounts to the government at the time of product delivery. The level of government support reflects government policy and depends on fiscal spending levels and other political and economic factors. Management cannot predict if future government-sponsored support will be available. The loss of or any substantial reduction in the availability of government support could negatively impact liquidity assumptions related to the development of aircraft or rail products and services. In addition, any future government support received by competitors could have a negative impact on the Corporation's competitiveness, sales and market share.

Market risk

Foreign exchange risk

The Corporation's financial results are reported in U.S. dollars and a significant portion of sales and operating costs are transacted in currencies other than U.S. dollars, most often euros, Canadian dollars, pounds sterling, Swiss francs and Swedish kronor. The results of operations are therefore affected by movements in these currencies against the U.S. dollar. Significant fluctuations in relative currency values against the U.S. dollar could thus have a significant impact on future profitability. Additionally, the settlement timing of foreign currency derivatives could significantly impact liquidity.

Interest rate risk

Changes in interest rates may result in fluctuations in future cash flows related to variable rate financial assets and liabilities, including long-term fixed-rate debt synthetically converted to variable interest rates. Changes in interest rates may also affect future cash flows related to commitments to provide financing support to facilitate customers' access to capital. For these items, cash flows could be impacted by changes in benchmark rates such as Libor, Euribor or Bankers' Acceptance. In addition, the Corporation is exposed to gains and losses arising from changes in interest rates, including marketability risk, through financial instruments carried at fair value such as certain aircraft loans and lease receivables, investments in securities and certain derivatives.

Residual value risk

The Corporation is exposed to residual value risks through RVGs provided in support of commercial aircraft sales. These RVGs may be provided either directly to an airline, a lessor or to a financing party that participates in a long-term financing associated with the sale of commercial aircraft. RVGs are offered as a strip of the value of an aircraft with a ceiling and a floor. If the underlying aircraft is sold at the end of the financing period (or during this period in limited circumstances), the resale value is compared to the RVG strip. The Corporation is required to make payments under these RVGs when the resale value of the aircraft falls below the ceiling of the strip covered by the guarantee, but payment is capped at the floor of the strip if the resale value of the aircraft is below that level.

Commodity price risk

The Corporation is exposed to commodity price risk relating principally to fluctuations in the cost of materials used in the supply chain, such as aluminum, advanced aluminum alloy, titanium and steel, which could adversely affect the business and results of operations.

Inflation risk

BA is exposed to inflation risk relating to fluctuations in costs and revenue for aircraft orders received but for which the delivery of the aircraft will take place several years in the future. Revenues for these orders are adjusted for price escalation clauses linked to inflation. At BT, contract cost estimates are subject to inflation rate assumptions. Estimated revenues at completion are adjusted for price escalation clauses, several of which are linked to inflation. Fluctuations in inflation rates could have a significant impact on future profitability if the inflation rate assumption used varies from the actual inflation rate.

LEGAL MATTERS

Unless otherwise specified in a Prospectus Supplement, certain legal matters relating to an issue and sale of Securities will be passed upon on behalf of the Corporation by Norton Rose Fulbright Canada LLP and on behalf of the Dealers by Stikeman Elliott LLP. As of the date hereof, the partners and associates as a group of each of Norton Rose Fulbright Canada LLP and Stikeman Elliott LLP own beneficially, directly or indirectly, less than 1% of the outstanding Class B Subordinate Voting Shares.

AUDITOR AND TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Ernst & Young LLP, 800 René-Lévesque Blvd. West, Montréal, Québec, Canada H3B 1X9, who advise that they are independent within the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

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

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of convertible, exchangeable or exercisable securities, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the convertible, exchangeable or exercisable securities is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF BOMBARDIER INC.

Date: February 18, 2015

This short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada.

(Signed) ALAIN BELLEMARE
President and Chief Executive Officer

(Signed) PIERRE ALARY
Senior Vice President and Chief Financial Officer

On Behalf of the Board of Directors

(Signed) LAURENT BEAUDOIN
Director

(Signed) PIERRE BEAUDOIN
Director

CERTIFICATE OF THE DEALERS

Date: February 18, 2015

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada.

**NATIONAL BANK FINANCIAL
INC.**

(Signed) LOUIS GENDRON

**UBS SECURITIES CANADA
INC.**

(Signed) ALAIN AUCLAIR

**CIBC WORLD MARKETS
INC.**

(Signed) ALEXANDRE
PRUNIER

**CITIGROUP GLOBAL
MARKETS CANADA INC.**

(Signed) GRANT
KERNAGHAN