

February 20, 2015

Term Sheet

BOMBARDIER

Treasury Offering of Subscription Receipts

A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces of Canada. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Issuer:	Bombardier Inc. (“ Bombardier ” or the “ Corporation ”).
Offering:	424,209,000 Subscription Receipts from treasury (487,840,350 Subscription Receipts if the Over-Allotment Option is exercised in full).
Issue Price:	C\$2.21 per Subscription Receipt.
Amount:	C\$937,501,890 (C\$1,078,127,174 if the Over-Allotment Option is exercised in full).
Over Allotment Option:	The Corporation granted to the Underwriters an option, exercisable at the Issue Price at any time no later than the earlier of (i) 30th day following the closing of the Offering, and (ii) the occurrence of a Termination Event (as defined herein), to purchase up to an additional 15% of the Subscription Receipts sold under the Offering for market stabilization purposes and to cover over-allotments, if any.
Participation by the Bombardier Family	Certain members of the Bombardier family (the “ Bombardier Family ”) have confirmed to the Corporation that they, through their respective privately held holding companies, will place orders with their respective investment dealers for Subscription Receipts offered under the Offering for an aggregate investment amount equal to the Canadian dollar equivalent of US\$50 million.
Use of Proceeds:	The net proceeds of the Offering will be applied to supplement the Corporation’s working capital and be used for general corporate purposes.
Form of Offering:	Public offering, eligible for sale in all provinces of Canada pursuant to a supplement to the short form base shelf prospectus of Bombardier dated February 18, 2015. Private placement into (i) the United States of America 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 United States Securities Act of 1933, as amended, provided by Rule 144A thereunder, and (ii) such other jurisdictions determined by the Corporation and the Joint Bookrunners in a manner that will not trigger registration, prospectus or continuous disclosure requirements in such jurisdictions.

Form of Underwriting:	Bought deal, not subject to syndication, subject to a mutually acceptable underwriting agreement containing “Disaster Out”, “Regulatory Out” and “Material Adverse Change Out” clauses running until closing.
Standstill:	The Corporation, each of its executive officers and directors that holds Class A Shares or Class B Subordinate Voting Shares or other securities of the Issuer convertible into Class A Shares or Class B Subordinate Voting Shares and certain members of the Bombardier Family will enter into a 90-day standstill agreement. The executive officers and directors of the Corporation and members of the Bombardier Family will also enter into agreements pursuant to which they will irrevocably agree to vote the Class A Shares and Class B Subordinate Voting Shares under their control or direction in favour of the Increase to the Authorized Share Capital (as defined below).
Investment of Escrowed Funds:	The Escrowed Funds (as defined herein) 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 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. “Escrowed Funds” means the gross proceeds from the Offering, less 50% of the Underwriters’ Fee payable to the Underwriters.
Escrow Release Conditions	The completion of an increase to the authorized share capital of the Corporation by way of an amendment to the articles of the Corporation approved at a special meeting of shareholders of the Corporation in order to increase the number of Class A Shares and Class B Subordinate Voting Shares which the Corporation is authorized to issue from 1,892,000,000 to 2,742,000,000 (collectively, the “ Increase to the Authorized Share Capital ”), and the issuance by the Director appointed under the <i>Canada Business Corporations Act</i> of a certificate of amendment reflecting such increased authorized share capital in accordance with the requirements of the <i>Canada Business Corporations Act</i> , and (ii) the delivery of a notice to that effect by the Corporation to the Subscription Receipt Agent.
Release of Escrowed Funds:	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 (subject to customary adjustments in certain circumstances) for each Subscription Receipt. 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. “Earned Interest” means an amount equal to interest and other income actually earned on the investment of the Escrowed Funds from, and including, the Closing Date to, but excluding, the date on which all of 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 to its articles in order to provide for the Increase to the Authorized Share Capital (each of (i) and (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 Closing Date (the “Deemed Interest”), less applicable withholding taxes, if any. Since 50% of the Underwriters’ Fee will be paid by the Corporation to the Underwriters on the Closing Date, 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 Termination Date 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 agree and undertake 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, will be delivered to purchasers of the Subscription Receipts.

Listing:	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.
Eligibility:	Eligible under the usual statutes and for RRSPs, RRIFs, RESPs, DPSPs and TFSA's.
Joint Bookrunners:	National Bank Financial Inc., UBS Securities Canada Inc., CIBC World Markets Inc. and Citigroup Global Markets Canada Inc.
Underwriters' Fee:	4.0% of the total gross proceeds to be received by the Issuer under the Offering other than the portion of the Offering subscribed by the Bombardier Family with respect to which no Underwriters’ Fee or commission shall be payable. Half of the Underwriters' Fee will be payable on the Closing Date and the remaining half will be payable 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 Closing Date.
Closing:	On or about February 27, 2015.