

Form 51-102F3

Material Change Report

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

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

June 22, 2016.

Item 3 News Release

A press release was issued by Bombardier Inc. (**Bombardier** or the **Corporation**) on June 23, 2016.

Item 4 Summary of Material Change

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

On June 23, 2016, Bombardier announced it had entered into a definitive agreement for the previously announced \$1 billion US investment by the Government of Québec in a newly created limited partnership, the C Series Aircraft Limited Partnership (the **CSALP**), to which the assets, liabilities and obligations of the C Series aircraft program were transferred (the **C Series Investment**).

On June 30, 2016, Bombardier announced that it closed the C Series Investment. The disbursement of the first \$500 million US installment of the investment occurred on June 30, 2016, and the disbursement of the second \$500 million US installment is expected to occur on September 1, 2016.

Following closing of the investment, the CSALP is 50.5%-owned by Bombardier and 49.5%-owned by the Government of Québec, through its mandatary, Investissement Québec.

Item 5.1 Full Description of Material Change

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

On June 23, 2016, Bombardier announced it had entered into a definitive agreement for the previously announced \$1 billion US investment by the Government of Québec in a newly created limited partnership, the CSALP, to which the assets, liabilities and obligations of the C Series aircraft program were transferred.

On June 30, 2016, Bombardier announced that it closed the C Series Investment. The disbursement of the first \$500 million US installment of the investment occurred on June 30, 2016, and the disbursement of the second \$500 million US installment is expected to occur on September 1, 2016.

Following closing of the investment, the CSALP is 50.5%-owned by Bombardier and 49.5%-owned by the Government of Québec, through its mandatary, Investissement Québec.

Bombardier will maintain operational control of the C Series program and consolidate its financial results. Fred Cromer will serve as President of the CSALP, and continue in his current role.

The Board of Directors of CSALP will consist of five directors, three of whom will be proposed by Bombardier and two by the Government of Québec. Daniel Johnson will serve as chairman of the Board of Directors of the CSALP.

The \$1 billion US investment will be used entirely for cash flow purposes of the CSALP.

As part of the agreement, the strategic, financial and operational headquarters for the CSALP, along with the assembly, manufacturing, engineering services and research and development activities of the CSALP, will remain in the Province of Québec for at least 20 years.

As announced on October 29, 2015 and June 23, 2016, the investment includes the issuance of warrants in the name of Investissement Québec, exercisable to acquire Class B Shares (subordinate voting) in the capital of Bombardier (the **Class B Shares**).

It was agreed that these warrants will be exercisable by Investissement Québec to acquire up to 100,000,000 Class B Shares, exercisable for a period of five years at an exercise price per share equal to \$1.72 US, being an amount equivalent of \$2.21 Cdn on the date of execution of the final agreement, which represents a premium to the 5-day volume-weighted average price (VWAP) of the Class B Shares on the TSX as of the date of execution of the final agreement and as of October 20, 2015.

Warrants exercisable for a total number of 50,000,000 Class B Shares were issued on June 30, 2016, and the remaining warrants, exercisable for a total number of 50,000,000 Class B Shares, will be issued concurrently with the disbursement of the second \$500 million US installment of the investment.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

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

Item 9 Date of Report

June 30, 2016.

Forward-looking statements

This report includes forward-looking statements, which may involve, but are not limited to: statements with respect to the Corporation's objectives, guidance, targets, goals, priorities, market and strategies, financial position, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; expected growth in demand for

products and services; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; competitive position; the expected impact of the legislative and regulatory environment and legal proceedings on the Corporation's business and operations; available liquidities and ongoing review of strategic and financial alternatives; the completion, anticipated timing and use of the second installment of the C Series Investment; the effects of the C Series Investment and of the private placement of a minority stake in Transportation to the Caisse de dépôt et placement du Québec (**the CDPQ Investment** and, with the C Series Investment, **the Investments**) on the range of options available to us, including regarding our participation in future industry consolidation; the capital and governance structure of the Transportation segment following the CDPQ Investment, and of the Commercial Aircraft segment following the C Series Investment; the impact and expected benefits of the Investments on our operations, infrastructure, opportunities, financial condition, access to capital and overall strategy; the impact of the sale of equity on our balance sheet and liquidity position; and the disbursement of the second installment of the C Series Investment and the timing thereof.

Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "anticipate", "plan", "foresee", "believe", "continue", "maintain" or "align", the negative of these terms, variations of them or similar terminology. By their nature, forward-looking statements require management to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause actual results in future periods to differ materially from forecast results. While management considers their assumptions to be reasonable and appropriate based on information currently available, there is risk that they may not be accurate.

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 our business environment (such as risks associated with the financial condition of the airline industry, of business aircraft customers, and of the rail industry; trade policy; increased competition; political instability and force majeure), operational risks (such as risks related to developing new products and services; development of new business; the certification and homologation of products and services; fixed-price commitments and production and project execution; pressures on cash flows based on project-cycle fluctuations and seasonality; our ability to successfully implement our strategy and transformation plan; 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; reliance on information systems; reliance on and protection of intellectual property rights; and adequacy of insurance coverage), financing risks (such as risks related to liquidity and access to capital markets; retirement benefit plan risk; exposure to credit risk; existing debt and interest payment requirements; certain restrictive debt covenants; financing support provided for the benefit of certain customers; and reliance on government support), market risks (such as risks related to foreign currency fluctuations; changing interest rates; decreases in residual values; increases in commodity prices; and inflation rate fluctuations); and the conditions to the disbursement of the second installment of the C Series Investment not being satisfied in a timely manner. For more details, see the Risks and uncertainties section in Other in the Management's Discussion and Analysis (MD&A) of the Corporation's financial report for the fiscal year ended December 31, 2015. Certain important assumptions by management in making forward-looking statements include, but are not limited to, the satisfaction of all conditions to the disbursement of the second installment of the C Series Investment in a timely manner. For additional information with respect to the assumptions underlying the forward-looking statements made in this report, refer to the Guidance and forward-looking statements sections in the MD&A of the Corporation's financial report for the fiscal year ended December 31, 2015. There can be no assurance that the C Series Investment will be completed in whole or in part, or of the timing of any such transaction.

Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. The forward-looking statements set forth herein reflect management's expectations as at the date of this report and are subject to change after such date. Unless otherwise required by applicable securities laws, 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 report are expressly qualified by this cautionary statement.