

BOMBARDIER INC.

BY-LAW ONE

MEETINGS OF SHAREHOLDERS AND DIRECTORS

ARTICLE 1. MEETINGS OF SHAREHOLDERS

(a) **PLACE AND TIME.** Subject to the laws governing the Corporation, meetings of shareholders of the Corporation shall be held at such place and at such time as the Board of Directors, the Chairman of the Board, if any, the Vice-Chairman of the Board, if any, the Chief Executive Officer, the President or any Vice-President who is a director may determine, from time to time.

(b) **CHAIRMAN.** Subject to the provisions of any resolution of the Board of Directors, the Chairman of the Board, if any, or in his absence or inability or refusal or failure to act, a Vice-Chairman of the Board, if any, or, in the absence or inability or refusal or failure to act of each of the foregoing officers, the President or, in the absence or inability or refusal or failure to act of each of the foregoing officers, the Vice-President, if any, or, if there be more than one Vice-President present and willing to act, that one of them who may have been designated for the purpose by the Chairman of the Board or a Vice-Chairman of the Board or by the President or by resolution of the Board of Directors shall preside at all meetings of the shareholders. Each of the foregoing officers may attend each such meeting provided that no Vice-President shall act as chairman if the Board of Directors shall have determined that he shall not so act. If all of the foregoing officers be absent or unable or refuse or fail to act, the shareholders present or represented and entitled to vote at such meeting may choose a chairman.

(c) **QUORUM.** Except as otherwise provided in the Articles of the Corporation, two or more persons personally present, each of whom shall be entitled to vote thereat either personally or as the proxy of a shareholder or as the authorized representative of a body corporate or association that is a shareholder, and representing in the aggregate, either in their own right or by proxy or as representatives of such body corporate or association, a number of shares carrying not less than a majority of the voting rights attaching to all outstanding shares of the Corporation shall constitute a quorum for each meeting of shareholders.

Should a quorum not be present or should there cease to be a quorum at any meeting of shareholders, no business may be transacted at such meeting except the adjournment of such meeting and the quorum at the first adjournment thereof shall consist of the persons personally present, each having the right to vote personally or as the proxy of a shareholder or as the authorized representative of a body corporate or

association that is a shareholder, and representing in the aggregate, either in their own right or by proxy or as representatives of such body corporate or association, a number of shares carrying not less than 25% of the voting rights attaching to all of the outstanding shares of the Corporation.

(d) VOTING. At all meetings of shareholders, each shareholder entitled to vote thereat, each proxy for a shareholder entitled to vote thereat and each authorized representative of a body corporate or association that is a shareholder entitled to vote thereat, who shall be present at such meeting, shall have on a show of hands one vote and, on a poll, one vote for each share carrying voting rights registered in the name of such shareholder on the books of the Corporation, unless, under the terms of the Articles of the Corporation, some other scale of voting is fixed, in which event such scale of voting shall be adopted.

(e) SCRUTINEERS. The chairman at any meeting of shareholders may appoint one or more persons (who need not be shareholders) to act as scrutineer or scrutineers at the meeting.

(f) NOMINATIONS OF DIRECTORS.

1. Subject only to the *Canada Business Corporations Act* (the **Act**) and the Articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors of the Corporation may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:
 - a. by or at the direction of the Board of Directors, including pursuant to a notice of meeting;
 - b. by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or
 - c. by any person (a **Nominating Shareholder**): (a) who, at the close of business on the date of the giving of the notice provided for below in this Section 1(f) and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (b) who complies with the notice procedures set forth below in this Section 1(f).

2. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation or the Assistant Secretary of the Corporation at the head office of the Corporation.
3. To be timely, a Nominating Shareholder's notice to the Secretary of the Corporation or the Assistant Secretary of the Corporation must be made:
 - a. in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement (the **Notice Date**) of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - b. in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

4. To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation or the Assistant Secretary of the Corporation must set forth:
 - a. as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (a) the name, age, business address and residential address of the person; (b) the principal occupation or employment of the person; (c) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (d) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection

with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

- b. as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- 5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 1(f); provided, however, that nothing in this Section 1(f) shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- 6. For purposes of this Section 1(f):
 - a. “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
 - b. “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities

commission and similar regulatory authority of each province of Canada.

7. Notwithstanding any other provision of this Section 1(f), notice given to the Secretary of the Corporation or the Assistant Secretary of the Corporation pursuant to this Section 1(f) may only be given by personal delivery, facsimile transmission or by email (to the Secretary of the Corporation or the Assistant Secretary of the Corporation), and shall be deemed to have been given and made only at the time it is served by personal delivery, email or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary or the Assistant Secretary at the address of the head office of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Québec time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
8. Notwithstanding the foregoing, the Board of Directors may, in its sole discretion, waive any requirement in this Section 1(f).

ARTICLE 2. MEETING OF DIRECTORS

(a) PLACE, TIME AND NOTICE. Immediately after the annual meeting of shareholders in each year, a meeting of such of the newly elected directors as are then present may be held without notice, provided that they shall constitute a quorum, for the appointment of officers of the Corporation and the transaction of such other business as may come before the meeting.

Subject to the provisions of any resolution of the Board of Directors, meetings of the Board of Directors may be convened and held at any place within or without Canada at any time by order of the Chairman of the Board, if any, or the Vice-Chairman of the Board, if any, or the Chief Executive Officer or the President or any Vice-President who is a director or any two directors and notice of the time and place for holding each such meeting shall be served upon each of the directors or left at his usual residence or usual place of business, or shall be mailed, postage prepaid, or sent by means of telegraphic or other communications facilities addressed to each of the directors at his latest address as shown in the records of the Corporation at least three clear days prior to the date fixed for such meeting. Notice of any meeting or any irregularity in any meeting or the notice thereof may be waived by any director either before or after the meeting is held. In any case of what is considered by the Chairman of the Board, if any, or the President in his discretion to be a matter of urgency, he may give notice of a meeting of

the Board of Directors by telephone or telegram not less than four hours before such meeting is to be held and such notice shall be adequate for the meeting so convened.

(b) QUORUM. The Board of Directors may, from time to time, fix by resolution the quorum for meetings of the Board of Directors but until otherwise fixed a majority of the directors in office, from time to time, shall constitute a quorum.

(c) CHAIRMAN. Subject to the provisions of any resolution of the Board of Directors, the Chairman of the Board, if any, or, in his absence or inability or refusal or failure to act, the Vice-Chairman of the Board, if any, or, in the absence or inability or refusal or failure to act of each of the foregoing officers, the President shall preside at all meetings of the Board of Directors, provided that the President shall not so act unless he is a director. If the Chairman of the Board, the Vice-Chairman of the Board, if any, and the President be absent or unable or refuse or fail to act, the directors present may choose a chairman from among their number. The chairman at any meeting of directors may vote as a director.
