

Finance and Risk Management Committee

1.1 Membership and Quorum

- A minimum of four directors who shall be independent.
- Quorum: a majority of the members.

1.2 Frequency and Timing of Meetings

- Normally, in conjunction with Bombardier Board meetings.
- At least four times a year and as necessary.

1.3 Chairman of the Finance and Risk Management Committee

One of the members of the Finance and Risk Management Committee shall act as its Chairman. The responsibilities of the Chairman of the Finance and Risk Management Committee include the following:

A. Providing leadership to enhance the Finance and Risk Management Committee effectiveness

- ensuring that the Finance and Risk Management Committee works as a cohesive team and providing the leadership essential to achieve this;
- ensuring that the resources available to the Finance and Risk Management Committee (in particular timely and relevant information) are adequate to support its work.

B. Managing the Finance and Risk Management Committee

- setting the agenda of the Finance and Risk Management Committee, in consultation with the Senior Vice President and Chief Financial Officer, and prior to the meeting of the Finance and Risk Management Committee, circulating the agenda to the members of the Finance and Risk Management Committee;
- adopting procedures to ensure that the Finance and Risk Management Committee can conduct its work effectively and efficiently, overseeing the Finance and Risk Management Committee structure and composition, scheduling and management of meetings;
- ensuring that the conduct of the Finance and Risk Management Committee meetings provides adequate time for serious discussion of relevant issues;
- ensuring that the outcome of the meeting of the Finance and Risk Management Committee and any material matters reviewed at such meeting are reported to the Board at its next regular meeting.

C. Meetings

- The Chairman of the Board and Chief Executive Officer, the Senior Vice President and Chief Financial Officer, the Senior Vice President, Strategy and Corporate Audit Services and Risk Assessment and the Senior Vice President and Treasurer shall attend all meetings of the Finance and Risk Management Committee, except such part of the meeting, if any, which is a private session not involving all or some of these officers as determined by the members of the Finance and Risk Management Committee.
- Minutes of the meetings of the Finance and Risk Management Committee shall be kept by the Corporate Secretary. Supporting documents reviewed by the Finance and Risk Management Committee shall be kept by the Corporate Secretary. A copy of the minutes of any meeting or of any supporting document shall be made available for examination by any director of Bombardier upon request to the Corporate Secretary.

1.4 Mandate of the Finance and Risk Management Committee

A. Purpose

The Finance and Risk Management Committee is a Committee of the Board of Bombardier formed to assist it in fulfilling its oversight responsibilities in relation to:

1. risk management matters;
2. the financing activities of Bombardier;
3. retirement plan fund management;
4. environmental matters; and

5. any additional matters delegated to the Finance and Risk Management Committee by the Board.

B. Duties and Responsibilities

The Finance and Risk Management Committee will obtain, as required, the necessary information, presentations and recommendations from the management of Bombardier in order for the Committee to:

1. periodically (i) review with management Bombardier's material risks of a financial nature and the steps that the management has taken to monitor, control and manage such risks, (ii) review the adequacy of policies, procedures and controls designed by management to assess and manage these risks and (iii) report its findings and conclusions to the Board of Directors of Bombardier with respect to any of these matters;
2. review any significant or unusual transactions or projects related to Bombardier's ongoing activities (for example, joint ventures, equity investments, unusual long-term contracts, aircraft programs, etc.), significant business opportunities, mergers, acquisitions, divestitures, significant asset sales or purchases, or equity investments and report its findings, conclusions and, if appropriate, recommendations to the Board of Directors of Bombardier, for its approval; subsequently, monitor, on a periodic basis, the performance of Bombardier in connection with such transactions or projects;
3. periodically review the financial situation of the Corporation, including its:
 - capital structure;
 - liquidity level and requirements;
 - long-term debt repayment profile;
 - short-term capital availability; or
 - dividend policy;and as required, make appropriate recommendations to the Board;
4. periodically review current and expected future compliance with covenants under all credit facilities;
5. periodically review Bombardier's relationship with credit rating agencies and the ratings given to Bombardier, including any potential issues concerning such ratings;
6. periodically review customer financing activities and programs offered by Bombardier in support of its business objectives, including off-balance sheet transactions, secured and unsecured financing, equity investments, letters of credit, guarantees or other forms of financial accommodation and the management of the related contingent obligations;
7. periodically review policies, procedures and controls with respect to:
 - foreign exchange hedging;
 - interest rates; or
 - derivatives instruments;
8. periodically review Bombardier's insurance program coverage and related insured risks, including coverage for property damage, business interruption, liabilities, and directors and officers;
9. periodically review the fulfillment of Bombardier's obligations towards its various retirement plans and the investment of assets of such retirement plans, and receive appropriate information concerning investment policies, investment performance, actuarial liability profile, funding and accounting deficits and related impact on results, funding policies, compliance reports in relation to various investment policies or legislative requirements and the audited financial statements of the retirement plans;
10. periodically review the corporate management's report on environmental matters;

11. fulfill any other duties and responsibilities delegated to the Finance and Risk Management Committee by the Board of Bombardier; and
12. each year, review the charter of the Finance and Risk Management Committee to ensure that it continues to be relevant and make recommendations to the Corporate Governance and Nominating Committee Board regarding its responsibilities therein.

1.5 Miscellaneous

- If required, the Finance and Risk Management Committee has the authority to obtain advice and assistance from any independent consultants and is provided with the appropriate funding for payment of any independent consultants retained by it.
- Nothing contained in the above mandate is intended to transfer to the Finance and Risk Management Committee the Board's responsibility to ensure Bombardier's compliance with applicable laws or regulations or to expand applicable standards of liability under statutory or regulatory requirements for the directors or the members of the Finance and Risk Management Committee.