

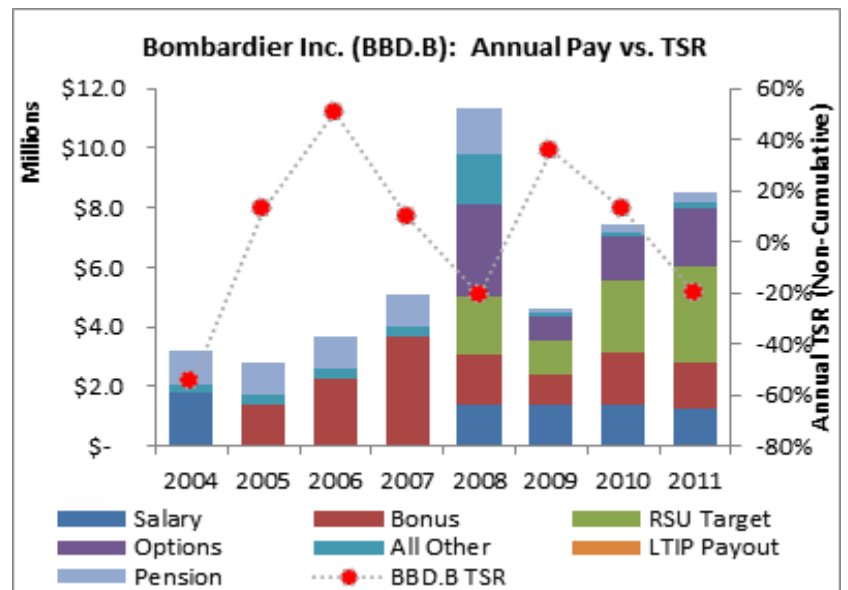
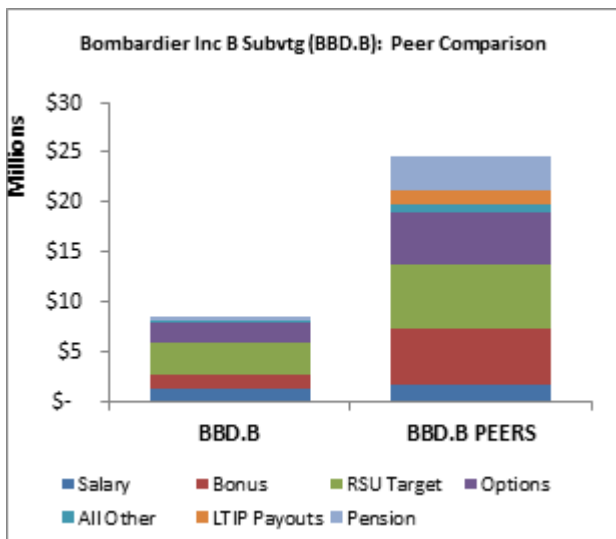
Bombardier Inc (BBD.B): 2004-2011 Pay for Performance

PAY FOR PERFORMANCE SCORE				
1 YEAR = 0	4 YEAR = 4	6 YEAR = 5	8 YEAR = 5	TOTAL: 14/24

BBD's peer group comprises only NYSE-listed firms, some of which pay their CEOs two or three times more than BBD. BBD, like its peers, emphasizes equity compensation over cash pay. Each of BBD's incentive pay components is paid out based on the achievement of operational goals rather than share based metrics.

In 2011, BBD's ROE ranked 2nd out of 11 peers (131%), and ROA ranked 9th out of 11 peers (3.5%). Their mid-term incentive plan is based entirely on achievement of ROE objectives. As a result, the 2011 RSU grant increased compared to 2010 despite an annual TSR of -20% (8th out of 11).

Since the 2008 financial crisis, BBD's share performance has suffered, with two years of negative movement. **Upon Pierre Beaudoin's appointment as CEO in 2008, BBD's CEO pay approach shifted to include RSU and options, resulting in an overall increase in CEO pay. It is because of this disparity that BBD's longer-term Pay for Performance Score is not higher.**



COMPANY'S DISCLOSED PEER FIRMS	
TICKER	NAME
NYSE:F	Ford Motor
NYSE:GE	General Electric
NYSE:BA	Boeing
NYSE:CAT	Caterpillar
NYSE:ROK	Rockwell Automation
NYSE:HON	Honeywell International
NYSE:EMR	Emerson Electric
NYSE:UTX	United Technologies
NYSE:TXT	Textron
NYSE:RTN	Raytheon

FY 2011 FINANCIAL PERFORMANCE RANKINGS						
#	PEER	TSR	PEER	ROE	PEER	ROA
1	NYSE:BA	15.2%	NYSE:F	135.2%	NYSE:ROK	13.1%
2	NYSE:RTN	9.1%	TSE:BBD.B	131.0%	NYSE:F	12.3%
3	NYSE:HON	4.9%	NYSE:BA	114.1%	NYSE:UTX	8.4%
4	NYSE:GE	1.2%	NYSE:ROK	39.8%	NYSE:EMR	8.3%
5	NYSE:CAT	-1.5%	NYSE:CAT	38.3%	NYSE:RTN	7.4%
6	NYSE:UTX	-5.0%	NYSE:RTN	22.8%	NYSE:CAT	6.2%
7	NYSE:ROK	-7.6%	NYSE:UTX	22.8%	NYSE:BA	5.4%
8	TSE:BBD.B	-20.0%	NYSE:EMR	18.8%	NYSE:HON	5.0%
9	NYSE:EMR	-20.9%	NYSE:HON	17.5%	TSE:BBD.B	3.5%
10	NYSE:TXT	-21.5%	NYSE:GE	11.2%	NYSE:GE	1.8%
11	NYSE:F	-35.9%	NYSE:TXT	8.8%	NYSE:TXT	1.8%

CEO COMPENSATION RANKINGS AGAINST COMPANY'S DISCLOSED PEER FIRMS										
	PEER	TOTAL PAY	PEER	SALARY	PEER	BONUS	PEER	TOTAL CASH	PEER	TOTAL EQUITY
1	NYSE:HON	\$39,909,397	NYSE:GE	\$3,263,928	NYSE:HON	\$23,045,312	NYSE:HON	\$24,825,637	NYSE:F	\$23,972,142
2	NYSE:F	\$31,956,489	NYSE:F	\$1,978,138	NYSE:BA	\$8,609,155	NYSE:BA	\$10,518,059	NYSE:HON	\$12,195,471
3	NYSE:GE	\$26,427,966	NYSE:BA	\$1,908,904	NYSE:F	\$5,400,318	NYSE:F	\$7,378,456	NYSE:RTN	\$9,940,089
4	NYSE:UTX	\$19,659,542	NYSE:HON	\$1,780,325	NYSE:UTX	\$4,450,811	NYSE:GE	\$7,220,205	NYSE:BA	\$7,598,634
5	NYSE:BA	\$19,035,220	NYSE:UTX	\$1,662,873	NYSE:GE	\$3,956,277	NYSE:UTX	\$6,113,684	NYSE:EMR	\$7,419,404
6	NYSE:RTN	\$16,467,217	NYSE:CAT	\$1,413,880	NYSE:CAT	\$3,211,892	NYSE:CAT	\$4,625,773	NYSE:TXT	\$7,242,538
7	NYSE:EMR	\$13,198,950	NYSE:RTN	\$1,354,732	NYSE:RTN	\$2,967,208	NYSE:RTN	\$4,321,940	NYSE:UTX	\$7,070,455
8	NYSE:TXT	\$11,170,620	TSE:BBD.B	\$1,272,833	NYSE:EMR	\$2,373,766	NYSE:EMR	\$3,585,376	TSE:BBD.B	\$5,159,480
9	TSE:BBD.B	\$8,542,695	NYSE:EMR	\$1,211,610	NYSE:ROK	\$2,088,914	NYSE:ROK	\$3,169,387	NYSE:GE	\$4,529,937
10	NYSE:CAT	\$8,521,634	NYSE:ROK	\$1,080,473	TSE:BBD.B	\$1,556,993	TSE:BBD.B	\$2,829,826	NYSE:ROK	\$1,608,615
11	NYSE:ROK	\$7,766,715	NYSE:TXT	\$989,069	NYSE:TXT	\$1,387,466	NYSE:TXT	\$2,376,535	NYSE:CAT	\$0

PAY FOR PERFORMANCE SCORING

For 2012, the Clarkson Centre for Board Effectiveness (CCBE), prepared a Pay for Performance report for each firm currently listed on the TSX 60 Index that has at least 8 years of historical compensation or share price data available. The CCBE's Performance Score measures how closely CEO pay and TSR are aligned over four different time horizons. Compensation data is gathered from the firm's public filings, and valued at the time of grant. Options are valued using the binomial tree fair value method, and PSUs are valued at the grant date value of the target payout. TSR is calculated using a 30-day average start and end date share price, and assumes the reinvestment of dividends.

CCBE collected pay and performance data for up to ten peer companies for each TSX 60 constituent. Peer companies were selected from each TSX 60 constituent's performance benchmarking peer group, as disclosed in its most recent Management Information Circular. If a performance peer group was not disclosed, the CCBE collected information on the disclosed constituents of the total pay benchmarking peer group. If a peer group had more than 10 constituents, we randomly selected ten from among the disclosed list.

Our Pay for Performance Score takes into account alignment between change in CEO pay and TSR in 1-, 4-, 6- and 8-year observations. CEO pay change is 'smoothed' to account for outlying years. For example, in our 8-year observation we calculate CEO pay change as the percent change of the sum of total CEO pay from 2004-2007 against the sum of total CEO pay from 2008-2011. This helps to normalize our longer observations for unusual events like CEO turnover and large one-time payouts. The Pay for Performance Score gives significantly more weight to longer-term observations than shorter ones.

1-YEAR SCORE	4-YEAR SCORE	6-YEAR SCORE	8-YEAR SCORE
A = 3	A = 4	A = 7	A = 10
B = 3	B = 3	B = 5	B = 8
C = 2	C = 2	C = 3	C = 5
D = 1	D = 1	D = 1	D = 3
E = 0	E = 0	E = 0	E = 0

