Overcoming Jurisdictional Complexities While Establishing Strong Banking Relationships

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Post Mandate Challenges

- Various country documentation requirements
- Negotiating bank documents based on the number of countries
- Maximizing cash management efficiencies in light of jurisdictional complexities
- Choosing the right partner bank
- Back to the basics
Bombardier Corporate Information

- Corporate office based in Montréal, Canada
- Workforce of some 70,000* people worldwide as at December 31, 2011
- Revenues of $18.3 billion for fiscal year ended December 31, 2011
- 93% of revenues generated outside Canada
- Listed on the Toronto Stock Exchange (BBD)
Overview

Revenues* $8.6 billion Revenues* $9.8 billion
Backlog* $22.0 billion Backlog* $31.9 billion
Employees** 33,600 Employees** 36,200

<table>
<thead>
<tr>
<th>Bombardier Aerospace</th>
<th>Bombardier Transportation</th>
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<tbody>
<tr>
<td>Revenues*</td>
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* As at December 31, 2011
** As at December 31, 2011. Includes contractual employees.
Overview

Breakdown of revenues by geographic location

For the fiscal year ended December 31, 2011
<table>
<thead>
<tr>
<th>Australia</th>
<th>France</th>
<th>Poland</th>
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<tbody>
<tr>
<td>Austria</td>
<td>Germany</td>
<td>Portugal</td>
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<td>Belgium</td>
<td>Hungary</td>
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<td>Brazil</td>
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<td>Canada</td>
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<td>Republic</td>
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<td></td>
<td>People’s Republic of China</td>
<td>United Kingdom</td>
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<tr>
<td></td>
<td></td>
<td>United States</td>
</tr>
</tbody>
</table>

76 production and engineering sites in 25 countries
Bombardier’s Global Cash Management

- **Cash Management**
  - Aerospace is centralized in Americas
  - Transportation is centralized in Switzerland

- **Corporate Policy for Banking**
  - Defines Corporate Treasury’s responsibility for bank selection and account opening process

- **Strategy**
  - Develop a Global banking solution to manage our cash
Bombardier’s Global Cash Management

• 2010
  – Legal Entity reorganization at Transportation
  – Replacement of all banking documentation required
  – Approached Deutsche Bank for solution
  – Developed a special project with Treasury, Legal, Tax and business units

• 2011
  – Migration of legacy documents to global solution with Deutsche Bank
  – Other bank relationships required review of all legacy documentation
Documentation Woes

• Local Legacy Documents
  – Specific T&C’s
  – Local jurisdiction & legal opinions
  – Cost of legal review by internal counsel plus local counsel advisors
  – Local bank systems often required
  – Tax advisory by internal and external advisors
  – Additional Treasury manpower to assist legal and tax
  – Documentation updates to previously negotiated submissions
Global Solution

- Head Office control of bank structure and relationships
- Demystification of local banking complexities
- Mitigates risk on cash
- Alleviates different legal opinions
- Head Office has ability to see what locals are doing
- Central bank platform
Global Solution

- 1 central negotiated document for T & C’s
  - Example of countries with “exceptions” have a schedule
    - Spain has specific local requirements local disclosure, liens, rights to set-off and non-resident certificate tax
    - Italy has liens and check specific's
    - Germany has operations of accounts; banking secrecy and disclosure of information; rights to set-off; standard of service; security for the bank’s claims against customer; liens; security interests; and deposit protection
Global Solution

• 1 jurisdictional law to cover the agreement
  – The central agreement is covered under UK law
    • Eliminates “most” laws of individual countries
    • Eliminates requirement of local external counsel for reviews
    • Cost savings for legal opinions
    • Empowers Corporate Legal team with centralization
    • Corporate Legal becomes central legal advisor
Global Solution

- **1 bank contract**
  - Head Office has one agreement for all legal entities
  - Better control on bank account management
  - Corporate Treasury becomes a global advisor
  - Efficient process

- **1 bank platform**
  - Head Office have a view on cash in and out flows
  - Control of administration by Treasury over local business rights
Implementation and Improvements

- Implementation
  - Full rollout from start of negotiation to signed document agreements – 1 year
  - Corporate Legal reviewed all documentation
  - Corporate and Group Treasury reviewed documentation and services
  - Corporate and Group Tax provided advice
# Implementation and Improvements

Countries impacted at Bombardier

- Austria
- Belgium
- Czech Republic
- Denmark
- France
- Germany
- Hungary
- India

- Italy
- Luxembourg
- Malaysia
- Netherlands
- People’s Republic of China
- Philippines
- Poland

- Portugal
- Romania
- Singapore
- Spain
- Sweden
- Switzerland
- Taiwan
- Thailand
- United Kingdom
Implementation and Improvements

- **Improvements**
  - Streamlined documentation
    - 2-3 items now need signature without additional legal review
  - New country additions simplified
    - Legal input only required on new country exception items
  - Account opening more efficient
    - Less documents allow for speed opening of accounts
Why Not eBAM?

- **Bank agnostic solution**
  - Not prepared to do individual bank specific
  - Want a standardized approach for all global banks
- **Not prepared yet to have corporate documentation in a “cloud”**
  - Want to ensure confidentiality and security is in place
A Leap Forward

- Deutsche Bank’s new legal documentation, the “Transaction Banking Services Agreement”, has been designed to:
  - Standardize globally the legal provisions for account and cash management services.
- Streamline and simplify paperwork significantly.
  - Provide a single master document solution that is easy to read and user friendly
  - Ease of use across the globe.
A Global Agreement

Transaction Banking Services Agreement: One Single Master Document Solution

1. General Conditions (Master Agreement)
   ✓ Truly global: same terms across the globe
   ✓ Covers accounts and access channels

2. Country Schedules
   - Country Terms

3. Country Requirements
   - 3.1 Local Forms
   - 3.2 Corporate Documentation Check Lists

4. Service Schedules
   - Product Terms

5. Execution Forms
   - 5.1 Services Selection Form
   - 5.2 Signature List
   - 5.3 Customer Self-Administrator

6. Pricing Schedule

7. Service Documentation
   - 7.1 Reference Guides
   - 7.2 Set-up Forms

Red boxes: documents to be signed
Blue boxes: documents to be acknowledged, no signatures required on this document

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AFP® Annual Conference
Countries Which Benefit

- **Americas**
  - USA

- **Europe**
  - Austria
  - Belgium
  - Czech Republic
  - France
  - Germany *
  - Hungary
  - Italy (local forms include Italian language)
  - the Netherlands
  - Poland
  - Portugal
  - Spain
  - Switzerland
  - Turkey (bilingual, English prevails)
  - UK
  - Ukraine (bilingual, English prevails)

- **MENA**
  - Kingdom of Saudi Arabia (bilingual, English prevails)
  - UAE

- **Asia**
  - China
  - Hong Kong
  - India
  - Indonesia (bilingual, local language prevails)
  - Japan
  - Malaysia
  - Pakistan
  - Philippines
  - Singapore
  - South Korea (bilingual, English prevails)
  - Sri Lanka
  - Taiwan (bilingual, English prevails)
  - Thailand (bilingual, English prevails)
  - Vietnam (bilingual, English prevails)

More countries on boarding: Brazil, Argentina and Russia
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