



NEW FLYER OF AMERICA

April 17, 2024

Glenn Fenton - Chief Transportation Officer
Greater Portland Transit District | METRO
114 Valley Street
Portland, ME 04102
Office: 207.517.3029
Email: gffenton@gpmetro.org

Re: New Flyer Partnership Commitment with for the 2024 FTA Low or No Emission (“Low-No”) Competitive Grant Program

Dear Glenn Fenton:

This year, the Federal Transit Administration (“FTA”) [announced \\$1.49 billion in transit funding](#) – including \$1.1 billion for the [Low or No Emission](#) (“Low-No”) program and \$390 million for the [Buses and Bus Facilities](#) (“BBF”) program – to modernize America’s transportation infrastructure, create and maintain good-paying jobs, promote a more robust transit manufacturing industry and combat climate change through building out clean energy fleets.

On behalf of New Flyer of America Inc. (“New Flyer”), a subsidiary of NFI Group Inc. (“NFI”), I am pleased to provide our commitment as a partner in the deployment of zero-emission buses, charging infrastructure, connected technology, and workforce development (together “mobility solutions”) with Greater Portland METRO in Greater Portland, Maine, utilizing FTA funds for the 2024 Low-No Competitive Grant Program.

As the FTA stated, they will give priority consideration to project proposals that address healthy contracting with the use of advance or progress payments, show intent to reduce customizations, include a workforce development plan, encompass a fleet transition plan to zero emissions, address climate change and sustainability, and create new opportunities. We can help you do that and we understand the desire for Greater Portland METRO to mitigate climate change, modernize fleets and facilities, and ultimately build more livable communities through inclusive and sustainable transit.

New Flyer’s mobility solutions – including zero-emission [battery-electric](#) and [fuel cell-electric](#) buses, low-emission hybrid-electric and compressed natural gas (“CNG”) buses, [NFI Connect™](#) over-the-air analytics technology, full suite support via [NFI Infrastructure Solutions™](#), and workforce development through our [Vehicle Innovation Center](#) (or “VIC”) and the [New Flyer Institute](#) – harness the potential to best position Greater Portland METRO in deploying sustainable, efficient, connected mobility while delivering workforce development to enable the new mobility era. Together, we can fulfil FTA priorities by leveraging investments that:

- Renew transit systems
- Reduce greenhouse gas emissions from public transportation
- Advance racial equity
- Maintain and create good-paying jobs with a free and fair choice to join a union
- Connect our communities
- Strengthen the supply chain and financial health and stability of the North American bus manufacturing industry

Throughout this letter, we will provide detail on the following to help illustrate our ability to meet your rigorous standards and expectations of a competitive program partner:

- Our comprehensive mobility solutions

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- Our people, practices, and priorities
- Our qualifications and proven performance
- Program scope of work (including pricing)

First, allow us to share some background on our team, company, and parent organization.

About NFI Group

Full-Suite Mobility Solutions

New Flyer is a wholly owned subsidiary of NFI. Leveraging 450 years of combined experience and with over 8,500 team members in ten countries, NFI is a global leader in the electrification of mass mobility under the brands New Flyer® (heavy-duty transit buses), MCI® (motor coaches), Alexander Dennis (single and double-deck buses), Plaxton (motor coaches), ARBOC® (low-floor cutaway and medium-duty buses), and NFI Parts™. With zero-emission buses and coaches, infrastructure, and technology, NFI meets today's urban demands for scalable smart mobility solutions. Together, NFI is enabling more livable cities through connected, clean, and sustainable transportation.

NFI currently offers the widest range of sustainable drive systems available, including zero-emission electric (trolley, battery, and fuel cell), natural gas, electric hybrid, and clean diesel. In total, NFI supports its installed base of over 100,000 buses and coaches around the world.

NFI's common shares are traded on the Toronto Stock Exchange ("TSX") under the symbol NFI and its convertible unsecured debentures trade on the TSX under the symbol NFI.DB. News and information is available at www.nfigroup.com, www.newflyer.com, www.mcicoach.com, www.nfi.parts, www.alexander-dennis.com, www.arbocsv.com, and www.carfaircomposites.com.

Environmental, Social, and Governance Practices

NFI's internal driver is "A better product, better workplace, and better world" – signaling its focus on sustainability for all stakeholders, while taking care of its customers, team, communities, and environment.

We embed ESG into the fabric of our day-to-day operations, our long-term planning, and our relationship with the communities in which we work and live. Throughout 2023, we maintained our focus on employee health and safety, capital allocation, and financial stability. We also made great strides in our sustainability journey, including engagement with our stakeholders on the issues most relevant to them.

While our products and services (be they battery-electric, fuel cell-electric, clean-diesel, or hybrid-electric) have tremendous environmental benefit, the work we do also has a positive social impact on our people and our communities.

To enable this, NFI maintains numerous policies and initiatives, which can be found at nfigroup.com/ESG, that include but are not limited to:

- Annual Diversity Reporting
- Board Diversity Policy
- Code of Conduct and Ethics Policy
- Discrimination and Harassment Policies
- Environment, Health, and Safety Policy
- Equal Opportunity Employer Policy

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- Human Rights Statement
- Interactive Diversity and Inclusion Training
- Leadership Diversity Policies
- Local partnerships (to build a more diverse and inclusive workforce)
- Occupational Health and Safety Policy
- Supplier Code of Conduct

NFI reports annually on ESG. To view the most recent report (covering 2022 results) [click here](#), and to visit NFI's ESG hub, visit nfigroup.com/ESG.

About New Flyer

North America's EV Leader

New Flyer has been leading innovation in mobility for over 90 years, and today supports growing North American cities with scalable, clean, and sustainable mobility solutions which include buses, technology, [infrastructure](#), and workforce development.

With over 50 years of experience manufacturing zero-emission buses, New Flyer is North America's heavy-duty transit bus leader and offers the most advanced product line under the Xcelsior® and Xcelsior CHARGE® brands. New Flyer is proud to offer North American transit agencies more options than any other OEM, including bus length, styling options, propulsions, and technology, while also offering all four types of electric buses: battery-electric (zero-emission), fuel cell-electric (zero-emission), trolley-electric (zero-emission), and diesel-electric hybrid.

Today, New Flyer supports over 35,000 heavy-duty transit buses (New Flyer, NABI, and Orion) currently in service, of which 8,600 are powered by electric motors and battery propulsion and 1,900 are zero-emission. We also offer infrastructure development through NFI Infrastructure Solutions™, a service dedicated to providing safe, sustainable, and reliable charging and mobility solutions.

New Flyer also offers education through the NFI [Vehicle Innovation Center](#) ("VIC"), the first and only innovation lab of its kind dedicated to advancing bus and coach technology and providing workforce development. Since opening late 2017, the VIC has hosted over 400 interactive events, welcoming 9,000 industry professionals for workforce development, EV, and infrastructure training. Further information is available at www.newflyer.com/VIC.

New Flyer operates in combination with Motor Coach Industries Inc. ("MCI"), North America's motor coach leader. Together, New Flyer and MCI are North America's largest bus and coach manufacturer. For more information, visit newflyer.com.

Manufacturing, Safety, and Innovation

New Flyer has a long history of advanced innovations, with mobility solutions that have delivered cleaner, safer, smarter, and more efficient mobility to communities across North America. In doing so, New Flyer has invested heavily in North American jobs, manufacturing, technology, and infrastructure, and helped evolve public transit to better move millions of passengers every day. You can [see our history of innovation here](#).

New Flyer's manufacturing is supported by four major manufacturing facilities located in Anniston, Alabama; Crookston and St. Cloud, Minnesota; and Winnipeg, Manitoba. All four facilities are capable of manufacturing zero-emission, battery-electric buses, allowing scalable manufacturing support alongside increasing demand and adoption of zero-emission buses.

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Our Operational Excellence (or “OpEx”) practice dates back to 2008. Our focus then – and still today – is on safe, clean, and efficient working environments for all employees while delivering exceptional first-time quality and defined processes. In addition, we use lean manufacturing and 5S techniques to ensure our team has the best tools and stations to successfully complete a task, and we reiterate a “Quality at the Source” approach. To enable continued training and execution around this, we provide engineering drawings and shop floor instructions in the work cell to supplement the training employees receive through the NFI Learning Institute.

New Flyer is proud to be the first bus manufacturer to achieve all three certifications for its manufacturing processes: ISO 9001 (quality management), ISO 14001 (environmental management), and ISO 45001 (occupational health and safety management). More specifically, our ISO 14001:2015 certified Environmental Management certification ensures that we manufacture dependable products using the most environmentally responsible techniques available.

Our People

The New Flyer and MCI team is over 4,500 people strong across North America and well positioned to support your needs. We employ both unionized and non-unionized workforces, with approximately 55% of the North American direct employees proudly represented by trade unions (spanning seven unique collective bargaining agreements). We work hard to maintain progressive relationships with all of the unions that represent our employees and believe in treating people well and providing a safe, enjoyable, and inclusive work environment.

Diversity and Workforce Development

New Flyer continues to invest in making our team stronger, more inclusive, and more diverse across all of our facilities. We use our [Community Benefits Framework](#) (or “CBF”), [launched by New Flyer in 2020](#), to augment workforce outreach, development, recruitment, training, and retention to strengthen our mission to grow a diverse workforce. The CBF is a mechanism for accountability focused on building diversity and inclusion and expanding on existing workforce development models. It directs and supports local initiatives that benefit people and communities, and enhances the hiring of underserved individuals.

Workforce development remains a key pillar in our business and we continue to advance action across our communities each day. Our [Anniston Workforce Development Program](#) (or “AWDP”), launched in 2020 under the CBF, is a comprehensive program that strengthens local community outreach and recruitment capacity and commits to placing groups of people not traditionally employed in the manufacturing industry. It includes:

- Workforce development program, including training and development, skill gap assessments, wage and benefit commitments, fulfillment of diversity and hiring objectives, and pre-apprenticeship and apprenticeship programs
- The launch of an [employee engagement committee](#)
- Execution of partnerships and alliances with community-based organizations (“CBOs”) with defined goals and measurement processes
- Continued procurement commitment to Disadvantaged Business Enterprises (“DBEs”)
- Ongoing support of new initiatives, including an annual New Flyer bursary ([Accelerate Anniston](#))
- Provision of social (such as housing or childcare) and educational supports
- Advocacy for continued industry support and funding of workforce development
- Rigorous reporting of metrics and workplace practices
- Ongoing monitoring of compliance, governance, and oversight

We have long advocated for workforce development and greater diversity at an industry level. This is why, in 2022, New Flyer joined the [American Public Transportation Association \(APTA\) Racial Equity Commitment Program](#) as a founding signatory, committed to furthering racial equity in the transportation industry. This

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partnership helped to build our Two-Year Diversity, Equity and Inclusion Strategic Framework, which is centered on making diversity, equity and inclusion an explicit strategic priority for our organization.

In addition, New Flyer enjoys strong partnerships and ongoing dialogue with outstanding industry organizations like Latinos in Transit (“LIT”) and the Conference of Minority Transportation Officials (“COMTO”) – the latter of which New Flyer has been a member of for more than 15 years.

Technical Training and Innovation

Internal Team Training and Workforce Development

Each year, we invest millions in training and workforce development for our team, with over 200,000 hours of classroom and on-the-job training completed through the NFI Learning Institute in 2022 alone.

In 2022 the NFI Learning Institute focused on enhancing our manufacturing orientation to include job mentorship and formalized on-the-job training. This has reduced the time to become proficient on the job and has increased confidence for our new team members. We have also continued to focus on professional development and technical training that supports changes in technology, specialized tooling, and safety requirements; and on the development of eLearning programs that support the required soft, technical, lean, and safety-related skills needed by our teams.

Late 2021, New Flyer also announced the [launch of its Electrical Technician Training Program](#) (or “ETTP”) to provide high-demand electrical skills as industry EV adoption surges. The ETTP was launched with the support of the Communication Workers of America (“CWA”) union through a memorandum of understanding, and was developed by leveraging MCI coach training content. First introduced in New Flyer’s St. Cloud, Minnesota facility, the program is intended to carry across all major North American NFI facilities in the near future.

Shortly after the ETTP launched, the MCI Academy (operated through NFI subsidiary [MCI](#)) received its fifth consecutive [ATMC National Excellence in Training Award](#).

External Customer (Transit Agency) Training and Workforce Development

The New Flyer Institute is New Flyer’s proprietary learning center which provides world-class training and workforce development to our customers. It is designed to:

- Introduce the New Flyer vehicle to our customers
- Help properties operate and maintain the vehicle to its fullest potential throughout the life of the vehicle
- Provide vehicle operation and safety features familiarization courses to the operator trainers
- Deliver training on maintenance procedures, troubleshooting and safety information

We will work closely with you to design and deliver training to improve existing skill sets and train in new skill sets such as electrification and digitization as industry electric vehicle adoption surges.

Our [Vehicle Innovation Center](#) (or “VIC”) is North America’s first and only innovation lab dedicated to advancing bus and coach technology.

- Built and opened in 2017, the VIC provides critically needed workforce development to industry leaders, often facilitating reskilling, upskilling, and knowledge sharing on EVs and infrastructure.
- The VIC is located in Anniston, Alabama on the New Flyer manufacturing campus. You can [take a virtual tour of the Anniston facility here](#) and [tour the VIC here](#).

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- Ultimately, the VIC is providing workforce development that is a critical enabler of zero-emission bus adoption at scale in America. To date, the VIC has welcomed over 9,000 people over 400 events.

Infrastructure and Charging Support

We understand the complexity of transitioning fleets to battery-electric, and our goal is to simplify the process. [NFI Infrastructure Solutions™](#) is a full-suite service providing safe and reliable project management for smart mobility projects. To date, NFI Infrastructure Solutions™ has installed more than 425 EV chargers.

With a team of experts and engineers harnessing more than 100 years of combined experience, NFI Infrastructure Solutions™ guides zero-emission infrastructure projects from start to finish. This includes design, budgeting, planning, installation, commissioning, UL certification, procurement development, determination of wayside or depot charging needs, energy grid management, and more.

Sustainable transportation is our future, and alongside partners like Siemens, ABB, ChargePoint, Burns and McDonnell, Heliox, and Black and Veatch, The Mobility House, and Rhombus, our infrastructure team is here to help make it a reality. Learn more at nfigroup.com/IS, watch the [video here](#), or view our [charger catalog here](#).

Connected Technology and Analytics

[NFI Connect™](#) is an exclusive, advanced telematics solution that gives you real-time oversight of your entire fleet, improving bus uptime and safety, and lowering costs. This over-the-air analytics technology comes standard on every New Flyer zero-emission bus – and includes [Connect 360®](#) reporting (a customizable performance dashboard).

NFI Connect™ offers the following benefits for your zero-emission fleet:

- Flexible deployment: it is easy to deploy, compatible with multiple vehicle platforms and requires minimal IT infrastructure.
- Performance improvements: NFI Connect™ insights show opportunities for training strategies, with reports that illustrate data for improved driver performance.
- Cyber secure: it is protected and monitored by state-of-the-art cyber security technology.
- Always up to date: our vehicles have the latest software versions with secure over-the-air updates.

With NFI Connect™ you can have greater oversight of your whole operation, ultimately improving bus uptime and lowering costs, without requiring more work. Learn more at nfigroup.com/connect.

Scope of Work

Below are details spanning our mobility solutions that best position Greater Portland METRO to deploy and fulfill its zero-emission transition plan through the Low-No and/or BBF competitive programs.

1) Vehicles

The FTA will provide priority consideration to applicants that identify their intent to use a procurement method that reduces vehicle customization, by either: identifying an intent for a joint procurement with at least three total transit agencies using a common specification; or committing to using a standard vehicle model.

New Flyer has developed a Technical Best Practices Scoring method to determine the level of standardization for this proposal and attached a certification statement outlining the level of customization for this proposal.



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Adhering to this direction, New Flyer has priced these vehicles off the Commonwealth of Virginia (COV) contract with a technical configuration per Greater Portland's SR2762 for 35-foot diesel buses.

- The procurement and deployment of three (3) zero-emission 35-foot, heavy-duty New Flyer Xcelsior CHARGE NG™ Battery-Electric transit buses with a 435 kWh Energy Storage System (ESS).
- The proposed vehicles will be configured per SR2762 as noted above with the necessary changes to move from a diesel to a battery-electric propulsion system.
- These zero-emission Xcelsior CHARGE NG™ buses meet all federal requirements, including Buy America, at the time of delivery.
- Any charging equipment provided by New Flyer will be non-proprietary and fully interoperable with other transit buses and EVs, using industry standard ("OppCharge") charging protocols.

Pricing

- New Flyer's 35-Foot Xcelsior CHARGE NG™: **\$1,169,395/Bus (435 kWh ESS)**
- Bus price includes warranty, VIC virtual education session, and publications.
- Please refer to the Workforce Development section below, for details on VIC education session included within this proposal.
- Notes on pricing:
 - The price may not include nor reflect all customer-specific features.
 - Changes to vehicle configuration are subject to pricing changes.
 - All prices are stated in \$USD and valid if buses are manufactured in 2026.

Tooling and Diagnostics

- Please refer to the attached document, our recommended Tooling and Equipment list, to best maintain and support the proposed Xcelsior CHARGE NG™ transit buses.
- Tooling cost is not included in bus price.
- Recommended tooling and diagnostics list is provided for budgetary purposes. Final tooling and diagnostics list will be provided when a final vehicle configuration is decided upon.

2) Payment Terms

The FTA will provide priority consideration to applicants that incorporate advance payments and/or progress payments into the contract. Adhering to this direction, New Flyer's proposal is based on the following payment terms:

Progress Payment Terms

- **Payment terms are 75% at the time of battery or engine install and 25% at acceptance with net 30 terms, with receipt of title to the rolling stock provided as security.**
- **These terms meet the FTA eligibility criteria for your Low-No and BBF application.**

3) Full-Suite Infrastructure and Charging Solutions

[NFI Infrastructure Solutions™](#) is a full suite service providing safe and reliable project management for smart mobility projects.

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New Flyer's Infrastructure proposal is forthcoming. Pricing will depend on our degree of involvement in your infrastructure process (for example: design, budgeting, planning, installation, commissioning, UL certification, procurement development, determination of wayside or depot charging needs, energy grid management). As such, tailored quotes will be provided when we can determine project scope. You can view our [charger catalog here](#).

4) Workforce Development & Training

New Flyer Institute

- Technical training department capable of conducting in-person training, hands-on training on customer vehicles, and at customer sites for maximum accuracy and convenience.
- Training will be customized and appropriate for electrical engineers, battery/powertrain assembly technicians, electric powertrain maintenance, bus operators and safety personnel.
- Please refer to the Training section for additional recommended training for the proposed bus (cost not included in bus price). A recommended training list is provided for budgetary purposes. A final training list will be provided when a final bus configuration is confirmed.

Learning Management System (LMS)

- Online platform that offers more generic, comprehensive training to complement classroom and on-the-job learning.
- Can reinforce skills and expand knowledge of a broad range of topics with full-time flexibility.
- Is available free of charge with purchase of training package through the New Flyer Institute.

Vehicle Innovation Center (VIC)

- A unique internal institute dedicated to the future of transit mobility technology and designed to educate transit agency decision-makers.
- Through the [Vehicle Innovation Center](#), and as part of our partnership, New Flyer will provide a customized, no-cost virtual experience for up to 50 members of your leadership team lasting a half day on technology topics of interest and designed to enhance your zero-emissions transition planning.

5) Connected Technology

- [NFI Connect™](#) is a standard inclusion on all NFI electric buses and coaches. [NFI Connect™](#) is an exclusive, advanced telematics solution that gives you real-time oversight of your entire fleet, improving bus uptime and safety, and lowering costs.
- The EVs you purchase come with NFI Connect™ over-the-air analytics, at no cost for the first two years. This includes [Connect 360™](#) reporting (a customizable performance dashboard).

Conclusion

New Flyer is committed to developing smart and sustainable mobility solutions, and working with all stakeholders to successfully deploy zero-emission solutions across North America including buses, technology, workforce development, and infrastructure.

The deadline to submit is 11:59pmET on Thursday, April 25, 2024 – and we are here to help every step of the way.



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Together, we can build more livable communities through clean, efficient, and safe mobility, while supporting more equitable access to sustainable transit, reducing the harmful impacts of climate change, and helping to strengthen the financial health and stability of the bus manufacturing industry. New Flyer is here to serve as Greater Portland METRO's partner in scalable zero-emission deployment.

Sincerely,

NEW FLYER OF AMERICA INC.

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