



CORPORATE  
GOVERNANCE PRACTICES

EXTRACT FROM THE BCE 2018  
MANAGEMENT PROXY CIRCULAR  
DATED MARCH 8, 2018

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**BCE**

## 6 Corporate governance practices

This section provides information pertaining to our Board, the committees of our Board, our shareholder engagement and our ethical values and policies.

**BCE'S BOARD AND MANAGEMENT BELIEVE THAT STRONG CORPORATE GOVERNANCE PRACTICES CONTRIBUTE TO SUPERIOR RESULTS IN CREATING AND MAINTAINING SHAREHOLDER VALUE. THAT IS WHY WE CONTINUALLY SEEK TO STRENGTHEN OUR LEADERSHIP IN CORPORATE GOVERNANCE AND ETHICAL BUSINESS CONDUCT BY ADOPTING BEST PRACTICES AND PROVIDING FULL TRANSPARENCY AND ACCOUNTABILITY TO OUR SHAREHOLDERS**

BCE's common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange (NYSE). Our practices described in this section comply with the Canadian Securities Administrators' (CSA) corporate governance guidelines as well as the CSA's rules relating to audit committees and certification of financial information. Since the Corporation has securities registered in the United States, we are subject to, and comply with, the provisions of the *Sarbanes-Oxley Act* and related rules and regulations of the U.S. Securities and Exchange

Commission (SEC). In addition, since the Corporation's common shares are listed on the NYSE, we follow certain NYSE corporate governance rules applicable to foreign private issuers such as BCE. We comply with such mandatory NYSE governance rules and voluntarily comply in all material respects with all other NYSE governance rules, except as summarized under "Corporate Governance Practices" in the governance section of our website at [BCE.ca](http://BCE.ca), under the heading *Difference between BCE practices and NYSE*.

### 6.1 Board of directors

The Board has overall responsibility for supervision of the management of BCE's business and affairs. In exercising this responsibility, the Board must act in accordance with a number of rules and standards, including:

- the *Canada Business Corporations Act*
- the *Bell Canada Act*
- other laws that apply to telecommunications and broadcasting companies
- laws of general application
- BCE's articles and by-laws
- BCE's administrative resolution and the written charters of the Board and each of its committees
- BCE's Code of Business Conduct, Complaint Procedures for Accounting and Auditing Matters and other internal policies.

**AT EACH MEETING, THE INDEPENDENT DIRECTORS MET WITHOUT MANAGEMENT**

In 2017, the Board held 6 regular meetings and 1 special meeting. Each private session of the Board was chaired by the Chair of the Board of directors.

### ROLE OF THE BOARD OF DIRECTORS

The Board is responsible for supervision of the management of the business and affairs of the Corporation. In furtherance of its purpose, the Board assumes the duties and responsibilities described in its written charter, which is reviewed annually by the Governance Committee and has been approved by the Board. The Board's charter is incorporated by reference into this circular and is available on our website at [BCE.ca](http://BCE.ca), on SEDAR at [sedar.com](http://sedar.com) and on EDGAR at [sec.gov](http://sec.gov). In addition, shareholders may promptly obtain a free copy of the Board's charter by contacting the Corporate Secretary's Office at the coordinates set out in section 12.4.

The Board fulfills its duties and responsibilities directly and through four standing committees. Highlighted below is a discussion of some key aspects of the role of the Board, notably with respect to strategic planning, succession planning and risk oversight.

#### STRATEGIC PLANNING

Each May, our executive leadership team reviews a current mid-term strategic view for each business unit, enabling a company-wide perspective on key opportunities and risks, and providing the foundation

for our long-term capital planning. A review of the key drivers of value for the Corporation over the mid- and long-term is also conducted. This mid- and long-term strategic planning, as well as re-confirmation of our strategic imperatives, is reviewed in August by the Board. Each December, the Board holds a day-long session to review and approve our strategic plan, which takes into account, among other things, the opportunities and risks of the business units for the upcoming year. At that meeting, the Board reviews and approves the corporate financial objectives and operating plan of each business unit, including the significant capital and operating allocations. As well, the Board frequently discusses aspects of the strategy and frequently reviews and assesses the implementation of our strategic imperatives.

**REVIEWING KEY ASPECTS OF CORPORATE INITIATIVES AS WELL AS MID- AND LONG-TERM STRATEGIC PLANNING IS ONE OF THE BOARD'S KEY ROLES**

## SUCCESSION PLANNING

A critical responsibility of the Board and of the Compensation Committee is to ensure that a comprehensive succession plan is in place for the Corporation's most senior executive leaders. To achieve this, the Compensation Committee meets annually with the President and CEO to review and update the succession plan for all executive officers, including the President and CEO position.

The plan identifies potential successors for each executive and highlights any personal development experiences required for each candidate to be fully prepared to take on the position. In addition, if appropriate, the plan identifies any candidates who could assume critical leadership roles in the short term should unexpected events leave such roles vacant earlier than expected.

### EFFECTIVE SUCCESSION PLANNING HAS LONG BEEN A FOCUS OF THE BOARD

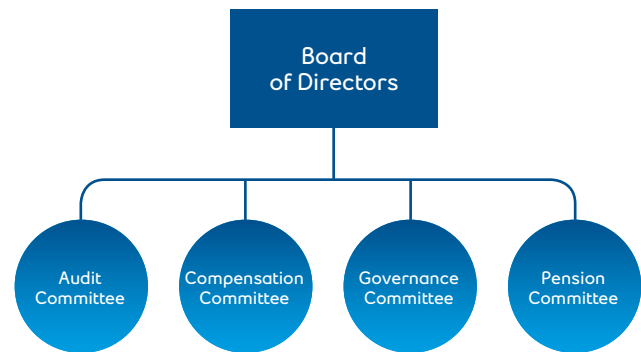
The executive succession plan is fully integrated with the Corporation's overall succession planning process, which covers all key management positions and ensures a strong pipeline of talent is developed at all levels in the organization. As such, the plan presented to the Compensation Committee is the culmination of an extensive process performed within each business unit and function and integrated at the cross-company level. This includes the identification of key talent, the roles they may be able to assume in the future, and their development plan to prepare for these roles. This may include development moves to other positions, internal or external courses, and close on-the-job mentoring. If no strong internal succession candidates are identified, an external search may be launched. Twice a year, all members of the senior management team are reviewed by the President and CEO and his direct reports to provide an integrated and balanced view of talent across the Corporation, and to ensure development plans are on track.

### THE COMPENSATION COMMITTEE REVIEWS THE SUCCESSION PLANNING PROCESS AND RESULTS FOR EXECUTIVE MANAGEMENT ANNUALLY

In addition to the regular annual review, key executive talent and succession plans are discussed by the Compensation Committee and at the Board level throughout the year, including, for example, as part of the performance reviews used to determine executive compensation.

## RISK OVERSIGHT

BCE's full Board is entrusted with the responsibility for identifying and overseeing the principal risks to which our business is exposed and seeking to ensure there are processes in place to effectively identify, monitor and manage them. These processes seek to mitigate rather than eliminate risk. A risk is the possibility that an event might happen in the future that could have a negative effect on our financial position, financial performance, cash flows, business or reputation. While the Board has overall responsibility for risk, the responsibility for certain elements of the risk oversight program is delegated to Board committees in order to ensure that they are treated with appropriate expertise, attention and diligence, with reporting to the Board in the ordinary course.



Risk information is reviewed by the Board or the relevant committee throughout the year, and business leaders present regular updates on the execution of business strategies, risks and mitigation activities.

- The Audit Committee is responsible for overseeing financial reporting and disclosure as well as overseeing that appropriate risk management processes are in place across the organization. As part of its risk management activities, the Audit Committee reviews the organization's risk reports and ensures that responsibility for each principal risk is formally assigned to a specific committee or the full Board, as appropriate. The Audit Committee also regularly considers risks relating to financial reporting, legal proceedings, performance of critical infrastructure, information, cyber and physical security, journalistic independence, privacy and records management, business continuity and the environment.
- The Compensation Committee oversees risks relating to compensation, succession planning and health and safety practices.
- The Governance Committee assists the Board in developing and implementing BCE's corporate governance guidelines and determining the composition of the Board and its committees. The Governance Committee also oversees matters such as the organization's policies concerning business conduct, ethics and public disclosure of material information.
- The Pension Committee has oversight responsibility for risks associated with the pension fund.

There is a strong culture of risk management at BCE that is actively promoted by the Board and the President and CEO at all levels within the organization. It has become a part of how the Corporation operates on a day-to-day basis and is woven into its structure and operating principles, guiding the implementation of the organization's strategic imperatives.

**WE HAVE ROBUST PROCESSES IN PLACE  
TO ENABLE THE BOARD TO IDENTIFY AND  
MONITOR THE SIGNIFICANT RISKS TO  
WHICH OUR BUSINESS IS EXPOSED**

## COMMITTEES OF THE BOARD OF DIRECTORS

There are four standing committees of the Board: the Audit Committee, the Compensation Committee, the Governance Committee and the Pension Committee.

**IT IS BCE'S POLICY THAT EACH OF THE  
AUDIT COMMITTEE, THE COMPENSATION  
COMMITTEE AND THE GOVERNANCE  
COMMITTEE MUST BE COMPRISED SOLELY  
OF INDEPENDENT DIRECTORS**

The Board has concluded that all of the directors who served as members of the Audit Committee, the Compensation Committee and the Governance Committee during 2017 are independent under our director independence standards, which are consistent with the director independence requirements of the CSA's corporate governance rules and guidelines. In addition, all members of the Audit Committee met the more stringent audit committee independence requirements under *National Instrument 52-110 – Audit Committees* and the NYSE governance rules. During 2017 none of the members of the Audit Committee directly or indirectly accepted any consulting, advisory or other compensatory fee from BCE, other than ordinary director fees.

The charter of each Board committee is reviewed annually by the Governance Committee and can be found in the governance section of our website at [BCE.ca](http://BCE.ca). The Audit Committee charter is also attached as Schedule 2 to BCE's annual information form for the year ended December 31, 2017 (which you can access on our website at [BCE.ca](http://BCE.ca), SEDAR at [sedar.com](http://sedar.com) and EDGAR at [sec.gov](http://sec.gov)). The position description of the committee chairs is detailed in the corresponding committee charter.

For a detailed explanation of our risk governance framework, see section 1.5 entitled *Corporate governance and risk management*, under the heading *Risk governance framework*, in BCE's Management's Discussion and Analysis dated March 8, 2018, included in BCE's 2017 annual report, available on SEDAR at [sedar.com](http://sedar.com), on EDGAR at [sec.gov](http://sec.gov) and on BCE's website at [BCE.ca](http://BCE.ca). For a detailed explanation of the material risks applicable to BCE and its subsidiaries, see section 8 entitled *Regulatory environment* and section 9 entitled *Business risks* in BCE's Management's Discussion and Analysis dated March 8, 2018.

At each regularly scheduled Board meeting, the committees of the Board, through the committee Chair, provide a report to the Board on their activities.

COMMITTEE	NUMBER OF MEETINGS HELD IN 2017	MEMBERS AT DECEMBER 31, 2017	INDEPENDENT
Audit	5	P.R. Weiss (Chair)	✓
		D.F. Denison	✓
		R.P. Dexter	✓
		I. Greenberg	✓
		K. Lee	✓
		M.F. Leroux	✓
		R.C. Simmonds	✓
Compensation	4	R.E. Brown (Chair)	✓
		B.K. Allen	✓
		S. Brochu	✓
		I. Greenberg	✓
		C. Rovinescu	✓
Governance	4	B.K. Allen (Chair)	✓
		S. Brochu	✓
		R.E. Brown	✓
		M.F. Leroux	✓
		R.C. Simmonds	✓
Pension	4	D.F. Denison (Chair)	✓
		R.P. Dexter	✓
		K. Lee	✓
		C. Rovinescu	✓
		K. Sheriff	–
		P.R. Weiss	✓

**AUDIT COMMITTEE**

The purpose of the Audit Committee is to assist the Board in its oversight of:

- the integrity of BCE's financial statements and related information
- BCE's compliance with applicable legal and regulatory requirements
- the independence, qualifications and appointment of the external auditors
- the performance of both the external and internal auditors
- management's responsibility for assessing and reporting on the effectiveness of internal controls
- the Corporation's enterprise risk management processes.

*Please refer to section 7.1 entitled Audit Committee report for a complete description of the committee.*

**COMPENSATION COMMITTEE**

The purpose of the Compensation Committee is to assist the Board in its oversight responsibilities related to:

- compensation, nomination, evaluation and succession of officers and other management personnel
- BCE's workplace policies and practices (including health and safety policies, policies ensuring a respectful workplace free from harassment and policies ensuring a diverse and inclusive workplace).

*Please refer to section 7.4 entitled Compensation Committee report for a complete description of the committee and a description of fees paid to external compensation advisors in 2017.*

**GOVERNANCE COMMITTEE**

The purpose of the Governance Committee is to assist the Board in:

- developing and implementing BCE's corporate governance policies and guidelines
- identifying individuals qualified to become members of the Board
- determining the composition of the Board and its committees
- determining the directors' remuneration for Board and committee service
- developing and overseeing a process to assess the Chair of the Board, the Board, committees of the Board, chairs of committees, and individual directors
- reviewing, and recommending for Board approval, BCE's policies concerning business conduct, ethics, public disclosure of material information and other matters.

*Please refer to section 7.2 entitled Governance Committee report for a complete description of the committee.*

**PENSION COMMITTEE**

The purpose of the Pension Committee is to assist the Board in its oversight responsibilities related to:

- the administration, funding and investment of BCE's pension plans and funds
- the unitized pooled funds sponsored by BCE for the collective investment of the funds and the participant subsidiaries' pension funds.

*Please refer to section 7.3 entitled Pension Committee report for a complete description of the committee.*

**CHAIR OF THE BOARD OF DIRECTORS**

BCE's by-laws provide that directors may determine whether the Chair should be an officer of BCE or should act solely in a non-executive capacity. Should they decide that the Chair be an officer acting in an executive capacity, the Board must designate one of its members as the "lead director", who is responsible for ensuring that the Board can function independently of management.

Mr. Gordon M. Nixon serves as independent Chair of the Board since April 2016. Mr. Nixon is not an executive officer of BCE and he is independent pursuant to our director independence standards, which are consistent with the CSA's corporate governance rules and guidelines and the NYSE governance rules.

**BCE'S BOARD CHAIR IS INDEPENDENT**

The detailed mandate of the Board Chair is included in the Board's charter, which can be found in the governance section of our website at [BCE.ca](http://BCE.ca), on SEDAR at [sedar.com](http://sedar.com) and on EDGAR at [sec.gov](http://sec.gov).

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## PRESIDENT AND CEO

The President and CEO, subject to the Board's approval, develops BCE's strategic and operational orientation. In so doing, he provides leadership and vision for the effective overall management, profitability and growth of BCE, and for increasing shareholder value and ensuring compliance with policies adopted by the Board.

**BCE'S PRESIDENT AND CEO HAS PRIMARY RESPONSIBILITY FOR THE MANAGEMENT OF THE BUSINESS AND AFFAIRS OF BCE**

The President and CEO is directly accountable to the Board for all of BCE's activities. The Board approved a written position description for the President and CEO, which is available in the governance section of our website at [BCE.ca](http://BCE.ca).

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## COMPOSITION AND DIVERSITY OF THE BOARD OF DIRECTORS

In terms of the composition and diversity of BCE's Board, the objective is to have a sufficient range of skills, expertise and experience to ensure that the Board can carry out its responsibilities effectively. Directors are chosen among the most qualified candidates for their ability to contribute to the broad range of issues with which the Board routinely deals.

The Governance Committee and the Board also consider the level of representation of women on the Board, and strive to include, within the candidates considered, individuals with a diverse background, including gender, ethnicity, age and experience.

In February 2015, the Board, on the recommendation of the Governance Committee, updated its Board composition policy (now the Board composition and diversity policy) to incorporate certain considerations in respect of Board diversity and adopted a target that women represent at least 25% of non-executive directors by the end of 2017. This target was met. In November 2016, the Board reviewed the progress made since the adoption of the diversity policy and target. Following this review, the Board, on the recommendation of the Governance Committee, adopted an additional target that women represent at least 30% of non-executive directors by the end of 2021. This additional target is also currently met. Furthermore, in 2017, as part of its continuing commitment to diversity, BCE became a member of the 30% Club and signed the Catalyst Accord 2022, whose objective is to increase the average percentage of women in corporate Canada to 30% or greater by 2022. The director nominees for the meeting include four women, representing 31% of non-executive director nominees and 29% of all director nominees.

**WOMEN REPRESENT 31% OF NON-EXECUTIVE DIRECTOR NOMINEES**

The policy also states that, on a yearly basis, the Governance Committee will report to the Board in respect of the measures taken to ensure that the policy has been effectively implemented, the annual and cumulative progress in achieving the objectives of the policy and the effectiveness of the policy as a whole. In measuring the effectiveness of the policy, the Governance Committee considers its identification and consideration of any individuals to become Board members in the previous year and whether and how the policy influenced such identification and consideration.

Each year, the Board also reviews each director's contribution and determines whether the Board's size allows it to function efficiently and effectively. The Board believes that a board of directors composed of 14 members promotes effectiveness and efficiency.

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## NOMINATION OF DIRECTORS AND TENURE

The Governance Committee receives suggestions for Board candidates from individual Board members, the President and CEO, shareholders and professional search organizations. On a regular basis, the Governance Committee reviews the current profile of the Board, including the average age and tenure of directors and the representation of various areas of expertise and experience, geography and general conformity with the Board composition and diversity policy. The Governance Committee also maintains a list of potential Board candidates that it reviews on a regular basis.

With respect to tenure, the Board strives to achieve a balance between the need to have a depth of institutional experience from its members on the one hand and the need for renewal and new perspectives on the other hand. The Board tenure policy does not impose an arbitrary retirement age limit, but it sets as a guideline that directors serve up to a maximum term of 12 years, assuming they are re-elected annually and meet applicable legal requirements. The Board, however, upon recommendation of the Governance Committee, may, in certain circumstances, extend a director's initial 12-year term limit.

## COMPETENCY REQUIREMENTS AND OTHER INFORMATION

We maintain a “competency” matrix in which directors indicate their expertise level in areas we think are required at the Board for a company like ours. Each director has to indicate the degree to which he or she believes they possess these competencies. The table below lists the top four competencies of our director nominees together with their age range, tenure, linguistic background and residency.

NAME	AGE			TENURE AT BCE		LINGUISTIC		REGION				TOP FOUR COMPETENCIES <sup>(1)</sup>										
	< 60	60 – 69	≥ 70	0 – 5 YEARS	6 – 10 YEARS	ENGLISH	FRENCH	ONTARIO	QUÉBEC	ATLANTIC	U.S.	ACCOUNTING & FINANCE	CEO/SENIOR MANAGEMENT	GOVERNANCE	GOVERNMENT/REGULATORY AFFAIRS	HR/COMPENSATION	INVESTMENT BANKING/M&A	MEDIA/CONTENT	RETAIL/CUSTOMER	RISK MANAGEMENT	TECHNOLOGY	TELECOMMUNICATIONS
B.K. Allen		●			●	●					●	✓	✓								✓	✓
S. Brochu	●				●	●	●		●			✓	✓	✓					✓			
R.E. Brown			●		●	●	●		●			✓	✓			✓				✓		
G.A. Cope	●				●	●		●				✓						✓			✓	✓
D.F. Denison		●			●	●		●				✓	✓				✓			✓		
R.P. Dexter		●			●	●				●			✓	✓		✓			✓	✓		
I. Greenberg			●		●	●	●		●				✓		✓	✓		✓				
K. Lee	●				●	●		●				✓	✓				✓			✓		
M.F. Leroux		●			●	●	●		●			✓	✓	✓					✓			
G.M. Nixon		●			●	●		●				✓	✓			✓	✓					
C. Rovinescu		●			●	●	●		●			✓				✓	✓		✓			
K. Sheriff		●			●	●		●				✓							✓		✓	✓
R.C. Simmonds		●			●	●		●					✓	✓							✓	✓
P.R. Weiss			●		●	●		●				✓	✓				✓			✓		

(1) Definition of core competencies

- Accounting & Finance: experience with, or understanding of, financial accounting and reporting, corporate finance and familiarity with financial internal controls, and Canadian GAAP/IFRS
- CEO/Senior Management: experience as a CEO or senior executive of a major public company or other major organization
- Governance: experience in corporate governance principles and practices at a major organization
- Government/Regulatory Affairs: experience in, or understanding of, government, relevant government agencies and/or public policy in Canada
- Human Resources/Compensation: experience in, or understanding of, compensation plans, leadership development, talent management, succession planning and human resource principles and practices generally
- Investment Banking/M&A: experience in investment banking and/or major transactions involving public companies
- Media/Content: senior executive experience in the media or content industry
- Retail/Customer: senior executive experience in a mass consumer industry
- Risk Management: experience in, or understanding of, internal risk controls, risk assessment, risk management and/or reporting
- Technology: senior executive experience in the technology industry
- Telecommunications: senior executive experience in the telecommunications industry.



## AUDIT COMMITTEE MEMBERS' FINANCIAL LITERACY, EXPERTISE AND SIMULTANEOUS SERVICE

Under applicable rules, the Corporation is required to disclose whether its Audit Committee members include at least one "audit committee financial expert". In addition, we are subject to Canadian and NYSE corporate governance rules relating to audit committees and certification of financial information requiring that all Audit Committee members be financially literate.

The Board has determined that all members of the Audit Committee during 2017 were, and all current members of the Audit Committee are, financially literate. In respect of the current Audit Committee members, as well as members during 2017, the Board determined that the Chair of the committee, Mr. P.R. Weiss, and Mr. D.F. Denison, Ms. K. Lee and Ms. M.F. Leroux are qualified as "audit committee financial experts".

The NYSE rules followed by the Corporation require that if an Audit Committee member serves simultaneously on the audit committee of more than three public companies, the Board must determine and disclose that this simultaneous service does not impair the ability of the member to effectively serve on the Audit Committee. In addition to serving on the

Corporation's Audit Committee, Ms. Monique F. Leroux currently serves on the audit committee of 3 public companies, Alimentation Couche-Tard Inc., Michelin Group and S&P Global Inc. The Board has reviewed the Audit Committee service of Ms. Leroux and has concluded that these other activities do not impair her ability to effectively serve on the Audit Committee. This conclusion is based on the following considerations, among others:

- she is not involved in full-time professional activities other than serving on various boards of directors and not-for-profit organizations
- she has extensive accounting and financial knowledge and experience, which serves the best interests of the Corporation and assists the Audit Committee in the discharge of its duties
- she makes valuable contributions to the Corporation's Audit Committee, and
- she attended 100% of Board and committee meetings, including the Audit Committee, in 2017.

## BOARD OF DIRECTORS' ASSESSMENT

As part of its charter, the Governance Committee develops and oversees a process to enable each director to assess the effectiveness and performance of the Board and its Chair, the Board committees and their respective chairs and himself or herself as a member of the Board. For 2017, the assessment process was conducted as follows:



Each director completed questionnaires aimed at evaluating his or her own performance as a member of the Board, the performance of the Board as a whole and its Chair, as well as the performance of each Board committee on which she or he serves and their respective Chair.

Each director then met separately with the Chair of the Board to review the results of the questionnaires and to discuss and assess the performance of the Board and its Chair, the committees and their Chairs and their director colleagues.

Following this process, in camera sessions of the Governance Committee and the Board were held, at which the feedback from the questionnaires and the one-on-one meetings and the appropriateness of any modifications or enhancements were reviewed and discussed.

Modifications or enhancements resulting from the assessment process are discussed with the President and CEO, as appropriate, and a plan is immediately put in place for implementation.



## INDEPENDENCE OF THE BOARD OF DIRECTORS

The Board's policy is that at least a majority of its members must be independent. Acting on the recommendation of the Governance Committee, the Board is responsible for determining whether or not each director is independent. For a director to be considered independent, the Board analyzes all of the relationships each director has with BCE and must determine that the director does not have any direct or indirect material relationship with us. To guide this analysis, the Board has adopted director independence standards. These standards are consistent with the CSA and the NYSE rules, are reviewed by the Governance Committee every year and can be found in the governance section of our website at [BCE.ca](http://BCE.ca).

Information concerning the relationships each director has with BCE is collected through the following sources: directors' responses to a detailed questionnaire, biographical information of directors, our internal corporate records, external verifications and any required discussions with our directors. Furthermore, each year, directors certify that they comply with our Code of Business Conduct, including the obligation to disclose any actual or potential conflict of interest.

In the course of the Board's determination regarding independence, it evaluated the relationships of each director with BCE against the independence standards outlined above and considered all relevant transactions, relationships and arrangements with companies or organizations with whom our directors may be associated.

Among other things, the Board considered whether the independence of Mr. I. Greenberg, who brings significant, important and necessary media industry experience to the Board, the Audit Committee and the Compensation Committee, was affected by the fact that he held the position of CEO of Astral Media Inc. ("Astral"), a company acquired by BCE in July 2013. The Board determined that his independence was not affected by this factor, including for the following reasons: (i) the acquisition of Astral was completed more than 4.5 years ago, (ii) upon closing of the acquisition, all of Mr. Greenberg's relationships with Astral ceased, (iii) Mr. Greenberg joined the BCE Board following the closing of the acquisition, (iv) Mr. Greenberg never held any employment or executive position with BCE or its affiliated entities, (v) Mr. Greenberg did not retain any interest in Astral following the acquisition, no amounts were or are owed to him by BCE, nor did he receive any interest in BCE on closing, (vi) Mr. Greenberg never received compensation from BCE or its affiliated entities other than director fees, (vii) Astral, which represented approximately 5% of BCE's revenues and assets at the time of acquisition, has been fully integrated in the Bell Media division, and (viii) Mr. Greenberg does not have any other material relationship with BCE or its affiliated entities. As part of its determination, the Board considered the level of integration of Astral into BCE's Bell Media unit, in particular the fact that Bell's financial and control systems apply to all of Bell Media, including the businesses that were formerly Astral.

As a result of this assessment, the Board determined that each current board member and director nominee is independent (with the exception of our President and CEO, Mr. G.A. Cope, and Ms. K. Sheriff) and does not have a material relationship with BCE. As an officer of BCE, Mr. Cope is not considered to be independent under these rules. The Board also determined that Ms. K. Sheriff was not independent due to her employment at Bell Aliant and BCE and compensation payments within the past 3 years.

All members of the Audit Committee, Compensation Committee and Governance Committee must be independent as defined under BCE's director independence standards. Members of the Audit Committee and Compensation Committee must also satisfy more stringent independence requirements, as defined under BCE's director independence standards.

The Board has determined that, as of the date of this circular, all members of the Audit Committee, Compensation Committee and Governance Committee are independent and members of the Audit Committee and Compensation Committee satisfy these more stringent independence requirements.

NAME	STATUS OF DIRECTOR NOMINEES		REASON FOR NON-INDEPENDENT STATUS
	INDEPENDENT	NOT INDEPENDENT	
B.K. Allen	●		
S. Brochu	●		
R.E. Brown	●		
G.A. Cope		●	President and CEO
D.F. Denison	●		
R.P. Dexter	●		
I. Greenberg	●		
K. Lee	●		
M.F. Leroux	●		
G.M. Nixon	●		
C. Rovinescu	●		
K. Sheriff		●	Employment/compensation by Bell Aliant/BCE within past 3 years
R.C. Simmonds	●		
P.R. Weiss	●		

## BOARD INTERLOCKS

The Board's approach to board interlocks is to the effect that no more than two Board members may sit on the same public company board.

Common memberships on boards of public companies among director nominees are set out in the table to the right. The Board has determined that this board interlock does not impair the ability of these directors to exercise independent judgment as members of our Board.

COMPANY	DIRECTOR	COMMITTEE MEMBERSHIP
Bank of Montreal	S. Brochu	Audit
	G.A. Cope	Governance, Human Resources

## EXPECTATIONS AND PERSONAL COMMITMENTS OF DIRECTORS

The Board expects all of its members to comply with BCE's Statement of Corporate Governance Principles & Guidelines. Members are also expected to comply with BCE's policies that apply to directors and the various Board procedures and practices. These procedures include the declaration of interest and changes in principal occupation (see below for details), the conflicts of interest guidelines (see below for details), the share ownership guidelines (see section 5 entitled *Director compensation* for details) and the Code of Business Conduct (see section 6.3 entitled *Ethical business conduct* for details).

The Board also expects all of its members to demonstrate personal and professional characteristics beyond reproach. These characteristics include high ethical standards and integrity, leadership, financial literacy and current fluency in their own fields of expertise.

**IN 2017, THE CURRENT DIRECTORS ATTENDED  
100% OF ALL BOARD AND COMMITTEE MEETINGS**

The Board further expects all of its members to make meaningful commitments during their time as directors of BCE. Each director is expected to participate in the director orientation program and in continuing education and development programs. They are expected to develop and expand a broad, current knowledge of the nature and operation of our major business units. Similarly, all members are expected to commit the necessary time required to be an effective and fully contributing member of the Board and of each Board committee on which they serve. In this regard, it is the Board's policy that, including BCE's Board, (i) directors who are not active public company CEOs serve on no more than five public company boards, and (ii) directors who are public company CEOs serve on no more than two public company boards.

The Governance Committee is responsible for administering BCE's policy on directors' attendance at meetings of the Board and its committees. Under this policy, the Corporate Secretary must report to the Governance Committee any director who did not attend at least 75% of the combined Board and committee meetings held in the year.

The following table indicates the attendance of our current directors at Board and committee meetings during 2017:

NAME	REGULAR BOARDS	SPECIAL BOARDS <sup>(1)</sup>	TOTAL BOARDS	AUDIT COMMITTEE	COMPENSATION COMMITTEE	GOVERNANCE COMMITTEE	PENSION COMMITTEE	TOTAL
B.K. Allen	6/6	1/1	7/7	–	4/4	4/4 (Chair)	–	100%
S. Brochu	6/6	1/1	7/7	–	4/4	4/4	–	100%
R.E. Brown	6/6	1/1	7/7	–	4/4 (Chair)	4/4	–	100%
G.A. Cope	6/6	1/1	7/7	–	–	–	–	100%
D.F. Denison	6/6	1/1	7/7	5/5	–	–	4/4 (Chair)	100%
R.P. Dexter	6/6	1/1	7/7	5/5	–	–	4/4	100%
I. Greenberg	6/6	1/1	7/7	5/5	4/4	–	–	100%
K. Lee	6/6	1/1	7/7	5/5	–	–	4/4	100%
M.F. Leroux	6/6	1/1	7/7	5/5	–	4/4	–	100%
G.M. Nixon <sup>(2)</sup>	6/6	1/1	7/7	–	–	–	–	100%
C. Rovinescu	6/6	1/1	7/7	–	4/4	–	4/4	100%
K. Sheriff <sup>(3)</sup>	4/4	1/1	5/5	–	–	–	2/2	100%
R.C. Simmonds	6/6	1/1	7/7	5/5	–	4/4	–	100%
P.R. Weiss	6/6	1/1	7/7	5/5 (Chair)	–	–	4/4	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(1) Due to exceptional circumstances, special Board meetings may have to be called on short notice and must, on occasion, be held at a time and date when the largest number of directors is available but certain members may be unable to attend.

(2) Mr. Nixon, as Chair of the Board, is not a member of any committee of the Board but attends as an ex officio member on all committees.

(3) Ms. Sheriff was elected to the Board and appointed to the Pension Committee on April 26, 2017.

Directors must follow the procedure for declarations of interest and changes in their principal occupation. The procedure is designed to enable the Governance Committee to be notified in a timely fashion of any change in a director's external directorships and principal occupation, and to permit the Governance Committee to review and consider any possible effect of such a change on the suitability of that director's continued service as a member of the Board. This procedure also states that directors are expected to tender their resignation upon a change in their principal occupation, which only becomes effective if and when it is accepted by the Board upon the recommendation of the Governance Committee.

BCE's conflicts of interest guidelines for directors set out how conflict situations will be managed during a Board meeting. If a director is deemed to have a conflict of interest because of an interest in a party to a proposed contract or transaction with BCE, then a specific "declaration of interest" is noted in the minutes of the meeting. Furthermore, the conflicted director must abstain from voting on the matter. Depending on circumstances, the director may also withdraw from the meeting while the Board deliberates.

## ORIENTATION AND CONTINUING EDUCATION

New directors are given the opportunity to individually meet with members of senior management to aid in their understanding of our businesses. The Governance Committee assists new directors in becoming acquainted with BCE and its governance processes and encourages continuing education opportunities for all members of the Board.

We provide to new and existing directors a comprehensive reference manual containing information with respect to: all key corporate and Board policies, including the Code of Business Conduct, the structure and responsibilities of the Board and its committees, the legal duties and liabilities of directors, and BCE's articles and by-laws.

All directors have regular access to senior management to discuss Board presentations and other matters of interest.

The Board has adopted guidelines with respect to directors' attendance at external continuing education programs under which BCE reimburses the costs of attendance, and we encourage our directors to attend conferences, seminars or courses, whether they be industry-specific to BCE or relevant to fulfilling their role as a director. During 2017, our directors attended a number of such events in various areas of relevance to their function as Board member.

Furthermore, in recognition of the rapidly changing technology and competitive environment in our business, education sessions on topics of particular importance to our businesses and industry are organized twice a year for directors to attend. In addition, the Board and committees, at regularly scheduled meetings, require management to provide an in-depth review of the business segments in which we operate, as well as our industry in general and topics relevant to each committee. We have listed below the education sessions, internal sessions and reports attended by our directors in 2017.

QUARTER	TOPIC	ATTENDANCE
Q1 2017	<ul style="list-style-type: none"> <li>• Bell's Mental Health initiative</li> <li>• Regulatory developments</li> <li>• Risks</li> <li>• Update on security</li> <li>• Update on environment compliance</li> <li>• Executive compensation disclosure</li> <li>• Developments in corporate governance</li> <li>• Pension regulation</li> </ul>	Board Board Audit Committee Audit Committee Audit Committee Compensation Committee Governance Committee Pension Committee
Q2 2017	<ul style="list-style-type: none"> <li>• Evolution of wireless (education session)</li> <li>• Security</li> <li>• Accounting standards</li> <li>• Risks</li> <li>• Update on security</li> <li>• Update on environment compliance</li> <li>• Pension valuation</li> </ul>	Board Board Audit Committee Audit Committee Audit Committee Audit Committee Pension Committee
Q3 2017	<ul style="list-style-type: none"> <li>• Cybersecurity</li> <li>• Major accounting policies</li> <li>• Update on security</li> <li>• Update on environment compliance</li> <li>• Diversity and inclusion</li> <li>• Developments in corporate governance</li> <li>• Pension regulation</li> </ul>	Board Audit Committee Audit Committee Audit Committee Compensation Committee Governance Committee Pension Committee
Q4 2017	<ul style="list-style-type: none"> <li>• Big data (education session)</li> <li>• Customer experience</li> <li>• Information technology</li> <li>• Media business</li> <li>• Network</li> <li>• Risk management</li> <li>• Wireless business</li> <li>• Wireline business</li> <li>• Update on security</li> <li>• Update on environment compliance</li> <li>• Tax</li> <li>• Executive compensation trends and best practices</li> <li>• Health and safety</li> <li>• Developments in corporate governance</li> <li>• Diversity</li> <li>• Pension investment</li> </ul>	Board Board Board Board Board Board Board Board Audit Committee Audit Committee Audit Committee Compensation Committee Compensation Committee Governance Committee Governance Committee Governance Committee Pension Committee

## 6.2 Shareholder engagement

The Board remains committed to engaging actively with the shareholders of the Corporation. Meetings are held regularly between our executive officers and institutional shareholders. On a quarterly basis, we hold a conference call with the investment community to review the financial and operating results of the quarter. Our executive officers and other members of senior management are regularly invited to speak at broker-sponsored industry investor conferences. All these presentations are accessible to our shareholders on our website at [BCE.ca](http://BCE.ca).

SHAREHOLDERS CAN COMMUNICATE WITH THE CORPORATION THROUGH VARIOUS MEANS, INCLUDING EMAIL AND TELEPHONE

Our Investor Relations department is committed to meeting with brokers and actively engages with retail shareholders to address any shareholder-related concerns and provide public information on the Corporation. On a regular basis, either one or more of the Chair of the Board, the Chair of the Compensation Committee or the Chair of the Governance Committee and members of management meet with shareholder advocacy groups to discuss governance issues.

We have in place various means of communication for receiving feedback from interested parties. We have a toll-free number for general inquiries (1-888-932-6666) and for investor and shareholder inquiries (1-800-339-6353). Shareholders and other interested parties may also communicate with the Board and its Chair by contacting the Corporate Secretary's Office at [corporate.secretariat@bell.ca](mailto:corporate.secretariat@bell.ca) or by calling 514-786-8424. For any complaints and/or concerns with respect to BCE's accounting, internal accounting controls or auditing matters, interested parties should consult our Complaint Procedures for Accounting and Auditing Matters on our website at [BCE.ca](http://BCE.ca).

Our shareholders will be asked again this year to consider and approve an advisory resolution on our approach to executive compensation. The Board, the Compensation Committee and management will continue existing practices discussed above regarding shareholder discussion and engagement. The Board and the Compensation Committee will continue to review and consider all shareholder feedback related to executive compensation matters. To facilitate questions and comments from shareholders, the following means of communication are available:

- communicating with the Compensation Committee by email: [corporate.secretariat@bell.ca](mailto:corporate.secretariat@bell.ca), or by mail: BCE Inc. c/o Chair of the Management Resources and Compensation Committee, 1 Carrefour Alexander-Graham-Bell, Building A, 7th floor, Verdun, QC, H3E 3B3
- using our web tool, accessible through our website at [BCE.ca](http://BCE.ca) under the banner "2018 Annual Meeting of Shareholders" and then following the instructions on screen, or
- calling us at 1-800-339-6353 (service in both English and French).

The Corporation will review all correspondence received and will periodically post a summary of comments received, if any, together with our responses on our website at [BCE.ca](http://BCE.ca) under the banner "2018 Annual Meeting of Shareholders".

Also, the Compensation Committee, the Governance Committee and the Board will review and analyze the results of the votes at the meeting, including the advisory vote on our approach to executive compensation, and will take into consideration such results, notably when reviewing our executive compensation philosophy, policies and programs and our governance policies and guidelines.

The Board confirms that our current practices achieve substantially the same results as the CCGG's Model Policy of the Board of Directors on Engagement with Shareholders on Governance Matters and "Say on Pay" Policy for Boards of Directors.

## 6.3 Ethical business conduct

Regular reports are provided to the Audit Committee and the Governance Committee with respect to our ethics program and our oversight of corporate policies across BCE.

BCE's Chief Legal & Regulatory Officer and EVP, Corporate Development has overall responsibility for (among other things):

- the oversight of BCE's ethics program, including the Code of Business Conduct and ethics training

- our anonymous 24/7 Employee Help Line that assists employees with any ethical issues and reporting of issues relating to questionable accounting, internal controls, auditing matters or corporate fraud, and
- the oversight of BCE's corporate policy management framework designed to improve employee awareness and access to some of the core corporate policies and business unit-specific practices, processes and procedures.

### CORPORATE POLICIES

The most significant corporate-wide policies with respect to business ethics are the Code of Business Conduct, the Complaint Procedures for Accounting and Auditing Matters (whistleblowing procedures), the Disclosure Policy and the Auditor Independence Policy. These policies are available in the governance section of our website at [BCE.ca](http://BCE.ca).

### CODE OF BUSINESS CONDUCT

Our Code of Business Conduct provides various rules and guidelines for ethical behaviour based on BCE's values, applicable laws and regulations and corporate policies. The Code of Business Conduct applies to all employees, officers and directors. In recognition of the important role of the directors and senior management in demonstrating their commitment to and support of BCE's ethics program, as embodied in the values and rules set out in the Code of Business Conduct, the Board requires all

directors and executives to certify annually their compliance with the Code of Business Conduct.

This certification also confirms their express support for the setting of standards to discourage wrongdoing and to promote honest and ethical conduct throughout the organization.

**THE BOARD REQUIRES ALL DIRECTORS, EXECUTIVES AND EMPLOYEES TO CERTIFY ANNUALLY THEIR COMPLIANCE WITH OUR CODE OF BUSINESS CONDUCT**

Our shareholders, customers and suppliers expect honest and ethical conduct in all aspects of our business. Accordingly, we also require that all employees certify annually that they have reviewed and understand the Code of Business Conduct. In addition, all new employees are required to complete an online training course on the Code of Business Conduct as part of the onboarding process. All employees are required to complete the online training course every two years.

Employees must also report to their manager any real or potential conflict of interest and, as required, provide written disclosure of such conflict to the Corporate Secretary. The Corporate Secretary is responsible for managing and resolving conflict of interest issues of employees.

BCE considers it vital that employees have the most effective tools to ask questions or raise issues concerning any ethical dilemma. Our Employee Help Line can be accessed online on a completely anonymous and confidential 24/7 basis, to ask questions or report concerns relating to issues under the Code of Business Conduct. This system is administered by an independent firm specializing in the field. It also provides employees a means to track the progress of their enquiries online, responds to requests for additional information (when required) and provides BCE with an auditable record of issues raised.

**COMPLAINT PROCEDURES FOR ACCOUNTING AND AUDITING MATTERS**

The Audit Committee has established procedures for receiving, filing and handling complaints that the Corporation or any of its subsidiaries might receive about:

- accounting, internal accounting control or auditing matters, and
- evidence of an activity that may constitute corporate fraud, violation of federal or provincial laws, or misappropriation of property that belongs to the Corporation or any of its subsidiaries.

**THE AUDIT COMMITTEE HAS ESTABLISHED WHISTLEBLOWING PROCEDURES FOR EMPLOYEES TO CONFIDENTIALLY AND ANONYMOUSLY SUBMIT CONCERNS ABOUT QUESTIONABLE ACCOUNTING OR AUDITING MATTERS**

Our employees have several means of communication available to them, such as an Employee Help Line that can be accessed either by telephone or online on a completely anonymous and confidential 24/7 basis and e-mail.

**DISCLOSURE POLICY**

The Board periodically approves policies for communicating with our various stakeholders, including shareholders, employees, financial analysts, governments and regulatory authorities, the media and the Canadian and international communities. The Disclosure Policy was adopted to govern our communications with the investment community, the media and the general public. This policy was designed to assist us in seeking to ensure that our communications are timely, accurate and broadly disseminated according to the laws that apply to us. The policy establishes guidelines for the verification of the accuracy and completeness of information disclosed publicly and other guidelines dealing with various matters, including material information, news releases, conference calls and webcasts, electronic communications and rumours.

**AUDITOR INDEPENDENCE POLICY**

Our Auditor Independence Policy is a comprehensive policy governing all aspects of our relationship with the external auditors, including:

- establishing a process for determining whether various audit and other services provided by the external auditors affect their independence
- identifying the services that the external auditors may and may not provide to the Corporation and its subsidiaries
- pre-approving all services to be provided by the external auditors of the Corporation and its subsidiaries, and
- establishing a process outlining procedures when hiring current or former personnel of the external auditors in a financial oversight role to ensure auditor independence is maintained.

In particular, the policy specifies that:

- the external auditors cannot be hired to provide any services falling within the prohibited services category, such as bookkeeping, financial information systems design and implementation, or legal services
- for all audit and non-audit services falling within the permitted services category (such as prospectus, due diligence and non-statutory audits), a request for approval must be submitted to the Audit Committee prior to engaging the external auditors
- specific permitted services, however, are pre-approved annually and quarterly by the Audit Committee and consequently only require approval by the EVP and CFO prior to engaging the external auditors, and
- at each regularly scheduled Audit Committee meeting, a summary of all fees billed by the external auditors by type of service is presented. This summary includes the details of fees incurred within the pre-approval amounts.

The Auditor Independence Policy is available in the governance section of our website at [BCE.ca](http://BCE.ca).

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## OVERSIGHT AND REPORTS

The Board is responsible for ensuring that BCE's management creates and supports a culture in which ethical business conduct is recognized, valued and exemplified throughout the organization. The Board must also satisfy itself as to the integrity of the President and CEO, other corporate officers and senior management. Both the Governance Committee and the Audit Committee support the Board in its oversight of BCE's ethics program. The Governance Committee is responsible for the content of the policies regarding ethics, while the Audit Committee has the oversight responsibility for compliance with these policies.

The Audit Committee receives a quarterly report prepared by the Vice-President – Audit and Risk Advisory Services providing details of complaints received, if any, in respect of accounting and auditing matters. This report also details the status of investigations and any follow-up action required.

The Chair of the Audit Committee is notified by either the Chief Legal & Regulatory Officer and EVP, Corporate Development, the Senior Vice-President – General Counsel and Corporate Secretary or the Vice-President – Audit and Risk Advisory Services of any complaints that relate to accounting, internal controls, auditing matters or corporate fraud. The results of any investigation or follow-up action are provided to the Audit Committee.

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## GOVERNANCE DISCLOSURE

The following documents, to which we have made reference throughout this circular, are available on our website at [BCE.ca](http://BCE.ca):

- the charter of the Board, as well as of each of its committees, including the position description of their respective chairs
- the position description of the President and CEO
- our director independence standards
- our key corporate policies, including our Code of Business Conduct
- a summary of the differences between the NYSE rules and BCE's corporate governance practices
- this statement of corporate governance practices.

To obtain a printed version of any of these documents free of charge, please write to the Corporate Secretary's Office at 1 Carrefour Alexander-Graham-Bell, Building A, 7th floor, Verdun, Québec, Canada, H3E 3B3 or call 1-800-339-6353.