

TO: Shareholders of Bell Aliant Inc. (the “**Bell Aliant**”) who hold common shares and who are either (i) a resident of Canada for purposes of the *Income Tax Act* (Canada) (the “**Tax Act**”) and not exempt from tax under Part I of the Tax Act, or (ii), a partnership, any member of which is a resident of Canada for purposes of the Tax Act and not exempt from tax under Part I of the Tax Act. (“**Former Bell Aliant Shareholder**”)

FROM: BCE Inc. (“**BCE**”)

RE: Tax Instruction Letter for Former Bell Aliant Shareholders who want to file a Tax Election concerning the Offer to purchase all of the issued and outstanding common shares of Bell Aliant

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Dear Bell Aliant Shareholder,

As you are aware, on August 14, 2014, BCE offered to purchase all of the issued and outstanding **Common shares**<sup>1</sup> of Bell Aliant (the “**Offer**”). Under this Offer, each Former Bell Aliant Shareholder was entitled to receive for each Common share held:

- (a) \$31.00 in cash, subject to pro-ration (the “**Cash Alternative**”);
- (b) 0.6371 of a BCE Common Share, subject to pro-ration (the “**Share Alternative**”);  
or
- (c) \$7.75 in cash and 0.4778 of BCE Common Share (the “**Cash and Share Alternative**”).

Former Bell Aliant Shareholders who tendered their Common shares pursuant to the Offer, but who did not elect any of the three options above were deemed to have elected to receive the Cash and Share Alternative. For additional information, refer to the terms and conditions described in the Offer.

The purpose of this Tax Instruction Letter is to summarize the Canadian income tax consequences for Canadian resident shareholders of Bell Aliant and to describe the tax election that can be made jointly with BCE to defer the tax arising from the Offer (the “**Tax Election**”).

All references to the Tax Election should be understood to include, where applicable, the corresponding joint tax election under the *Taxation Act* (Québec) (the “**Québec Act**”) unless otherwise specified.

**The comments made in this Tax Instruction Letter with respect to the income tax consequences of making a Tax Election are of a general nature only and are not intended to be (nor should they be construed to be) legal or tax advice to any particular Former Bell**

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<sup>1</sup> If you hold preferred shares or Bell Aliant, the Tax Election Questionnaire is not applicable and should not be completed. Please consult your tax advisor.

**Aliant Shareholder.** Furthermore, apart from providing this Tax Instruction Letter and enclosure(s) to Former Bell Aliant Shareholders for their convenience, neither BCE nor Bell Aliant will provide Former Bell Aliant Shareholders with any advice on making the Tax Election. The comments contained in this letter and in the Offer with respect to such Tax Elections are provided for general assistance only. The law in this area is complex and contains numerous technical requirements not addressed in this summary.

Accordingly, Former Bell Aliant Shareholders should consult with their own tax advisors for specific advice in respect of whether or not to make a Tax Election, and how to comply with the requirements for making such Tax Election having regard to their own particular circumstances.

## **1- CANADIAN TAX TREATMENT OF THE OFFER**

Generally, a Canadian resident who disposes of shares must include the capital gain realized in its income for the year. However, under certain conditions, the shareholder (a shareholder could be an individual, corporation or partnership) who opted for the Share Alternative or the Cash and Share Alternative, can make a joint election<sup>2</sup> to defer the taxation on this disposition.

**This Tax Election Questionnaire is not applicable and should not be completed if your Common Shares were held in a TFSA or RRSP, or if you hold preferred shares of Bell Aliant<sup>3</sup>. Please consult your tax advisor.**

**Generally, it is to your advantage to make the tax election. However, you should seek professional advice, if necessary, to determine whether making the tax election is appropriate, considering your particular facts and circumstances. If you do not make the election, the disposition of your Bell Aliant shares pursuant to the Offer could be a taxable event for the 2014 taxation year.**

## **2- EXECUTION AND DELIVERY OF A TAX ELECTION BY BCE**

BCE has agreed to make a Tax Election with a Former Bell Aliant Shareholder on the condition that correct and complete information is provided (“**Tax Election Information**”). In order for the Tax Election to be filed with the tax authorities in a timely manner<sup>4</sup>, the deadline for providing the Tax Election Information to BCE is 90 days after the disposition of the Common shares to BCE by the Former Bell Aliant Shareholder. **If the Tax Election Information for a Former Bell Aliant Shareholder is not received by BCE by the Tax Election Deadline and in accordance with the procedures set out in this Tax Instruction Letter, BCE will have no obligation to make a Tax Election with such Former Bell Aliant Shareholder and therefore, the Former**

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<sup>2</sup> The election must be made jointly with BCE. See subsections 85(1) and 85(2) of the Tax Act (and the equivalent for provincial purposes).

<sup>3</sup> For more information concerning the tendering of your preferred shares, please see the BCE Preferred Share Exchange Offer Circular (August 14, 2014).

<sup>4</sup> See Section 3 – *Filing a Tax Election With the Tax Authorities*, below.

**Bell Aliant Shareholder may not benefit from a full or partial deferral pursuant to the provisions of the Tax Act and, if applicable, the corresponding provisions of the Québec Act.**

Each Former Bell Aliant Shareholder who wishes to make a Tax Election must submit its Tax Election Information using either a secure web-based questionnaire or, upon request, a paper-based questionnaire. BCE will not verify the accuracy of any information provided by or on behalf of any Former Bell Aliant Shareholder.

The following schedules contained in this letter are provided to guide you in making the Tax Election:

Schedule A	Detailed information explaining steps to be followed to file the Tax Election
Schedule B	Information on how to fill-in the questionnaire
Schedule C	Frequently asked Questions

**If you require further assistance, please contact the Technical Assistance Helpline at:**

Toll-free: 1-844-291-5764 (Montreal Area) or 1-877-375-6936 (all other areas)  
Local Number: 514-940-4158 (Montreal area) or 416-777-3600 (Toronto area)

**Any personal information you submit to BCE on the questionnaires will be used solely for the purposes of your Tax Election and any subsequent enquiries or proceedings, and you consent to our collection and use of your personal information for such purposes. Your personal information will not be used to market any goods or services to you.**

### **3- SUBMITTING YOUR TAX ELECTION QUESTIONNAIRE**

Tax Election Information provided to BCE **must** be submitted on or before the Tax Election Deadline<sup>5</sup>.

i- Web-based Questionnaire

The Questionnaire is a web-based tool for inputting and submitting the Tax Election Information to BCE. Each Former Bell Aliant Shareholder can access the Questionnaire through a secure website established by BCE specifically to assist with the Tax Election process (the “**Tax Election Website**”). The Tax Election Website can be found at <https://www.taxelection.ca/bellaliant>.

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<sup>5</sup> See Section 2 – *Execution and Delivery of a Tax Election by BCE*.

Former Bell Aliant Shareholders will be required to input answers to a number of questions (such as name, mailing address, number of Common Shares exchanged, etc.) and submit this information online. If the transmission of information is successful, a unique identification number will be provided to the Former Bell Aliant Shareholder after submitting the Tax Election Information. This number will be required for identification purposes in the event the Former Bell Aliant Shareholder wishes to contact BCE (or its representatives) in the future regarding previously submitted Tax Election Information.

ii- Paper Questionnaire

You may choose to fill this questionnaire instead of the web-based questionnaire. A paper questionnaire is available upon request, with CST Trust Company. You can contact CST Trust Company at 1-866-271-6893 toll free in North America, or at 1-416-682-3860 outside of North America, or by e-mail at [inquiries@canstockta.com](mailto:inquiries@canstockta.com).

Please return your completed questionnaire to the following address:

**BCE-Bell Aliant Tax Election Process**  
600 de Maisonneuve Blvd West, Suite 1500  
Montréal (Québec) H3A 0A3

#### **4- FILING A TAX ELECTION WITH THE TAX AUTHORITIES**

*Federal purposes*

i- Filing Deadline

Generally, in order for a Tax Election to be accepted by the CRA without a Former Bell Aliant Shareholder being liable for a late filing penalty, the completed Tax Election must be filed with the CRA on or before the date that is the earliest of:

- (a) the day by which BCE is required to file an income tax return for the taxation year in which the exchange occurred (BCE's 2014 taxation year is scheduled to end on December 31, 2014 (although its taxation year could end sooner as a result of an event such as an amalgamation) and it is required to file an income tax return for a particular taxation year six months after such taxation year-end.);
- (b) the day by which the Former Bell Aliant Shareholder is required to file an income tax return for the taxation year in which the exchange occurred.

ii. Where to file the Tax Election

The Federal Tax Election should be filed with your CRA Tax Centre. Information on Tax Centres can be found on the CRA website: <http://www.cra-arc.gc.ca/entct/tso-bsf-eng.html>.

- For trusts, the applicable Tax Centre is Shawinigan-Sud regardless of where the Former Bell Aliant Shareholder is located;

- For a corporation or an individual, the CRA has designated specific Tax Centres for all corporations and individuals depending on where they are located. The Tax Centres and the areas they serve are listed on the CRA website referred to above;
- Where the Tax Election is made by a co-owner where more than one co-owner is electing or as a member of a partnership, the applicable Tax Centre is Surrey.

*Québec purposes, if applicable*

i. Filing deadline

Generally, in order for a Québec Tax Election to be accepted by the Québec tax authorities (“MRQ”) without a Former Bell Aliant Shareholder being liable for a late filing penalty, the completed Tax Election must be filed with the MRQ by the later of the following dates:

- (a) the earliest date by which either BCE or the Former Bell Aliant Shareholder must file an income tax return for the taxation year in which the exchange took place, or
- (b) the date of the last day of the two-month period following the end of the taxation year that, of the taxation years of the parties, ends the latest. BCE’s 2014 taxation year is scheduled to end on December 31, 2014 (although its taxation year could end sooner as a result of an event such as an amalgamation) and it is required to file an income tax return for a particular taxation year six months after such taxation year-end.

ii. Where to file the Tax Election

The Québec Tax Election form, together with a copy of the federal Tax Election form, should be filed with Revenu Québec at the following address:

Revenu Québec  
C.P. 3000, succursale Place-Desjardins  
Montréal, Québec H5B 1A4

Former Bell Aliant Shareholders filing in Québec should note that corporations established in Québec are required to file the French version of the Québec Tax Election; however, the copy of the federal Tax Election can be the English version.

Each Former Bell Aliant Shareholder is urged to consult its own tax advisor as soon as possible respecting the Tax Election and the Filing Deadline that applies to him. However, regardless of the applicable Filing Deadline, complete and accurate Tax Election Information must be received by BCE on or before the Tax Election Deadline and in accordance with the procedures set out in this Tax Instruction Letter.

**None of BCE, Bell Aliant, nor any successor corporation will be responsible for the filing of any Tax Election by the Former Bell Aliant Shareholder’s Filing Deadline, nor for taxes, interest, penalties, damages or expenses resulting from the failure by a Former Bell Aliant Shareholder to properly file a complete and accurate Tax Election within the time prescribed**

**under the Tax Act and the Québec Act, if applicable. Former Bell Aliant Shareholders will be solely responsible for the payment of any interest, taxes, and/or late filing penalties.**

## SCHEDULE A

### SUMMARY OF WHAT A FORMER BELL ALIANT SHAREHOLDER MUST DO TO FILE A TAX ELECTION

1. Submit your Tax Election Information to BCE in accordance with the procedures set out in this Tax Instruction Letter. Tax Election Information must be received on or before the Tax Election Deadline<sup>6</sup>. Your information can be submitted quickly and easily by using the Tax Election website at <https://www.taxelection.ca/bellaliant> or the paper questionnaire. For help in submitting the required information, please refer to the following pages of this Tax Instruction Letter.
2. Your Tax Election(s) will be compiled based solely on the Tax Election Information you submit. It is your responsibility to ensure the information provided is in compliance with the requirements imposed under the Tax Act (and the Québec Act, if applicable) to make a valid Tax Election. BCE will send two electronic copies of the completed Tax Election(s) to you by email within 30 days after receipt of the Tax Election Information by BCE (or its representative), or alternatively two copies, by mail. If you do not receive a Tax Election, it is your responsibility to contact the Technical Assistance Helpline indicated on page 3 of this Tax Instruction Letter.
3. Review the Tax Election(s) that you receive with your own tax advisor to ensure that you agree with the content, calculation and other disclosures. If you do not so agree, immediately contact the Technical Assistance Helpline indicated on page 3 of this Tax Instruction Letter. Do not make changes to a Tax Election that has been executed by BCE.
4. If you and your tax advisor are satisfied that the Tax Election(s) is accurate and complete, sign and date both copies of the Tax Election(s) in the area marked “Signature of Transferor, of Authorized Officer or Authorized Person” at the bottom of page 3 of the federal Tax Election form (form T2057 or T2058) and, if applicable, in the area marked “Signature of transferor or authorized signee” at the bottom of page 4 of the Québec Tax Election form (form TP-518-V or TP-529-V).
5. File one copy of the signed Tax Election(s) with the tax authorities immediately. Page 4 of this Tax Instruction Letter provides details on where to file your Tax Election(s). Retain one copy of the Tax Election(s) for your records.

Report the disposition of your Common Shares on your tax return for your taxation year in which the disposition took place. The proceeds of disposition should be equal to the “agreed amount” on page 3 of the federal Tax Election form (the “**Elected Amount**”, as further defined in the Offer) and, if applicable, the Québec Tax Election form. For future reference, the tax cost of the BCE Common Shares acquired on the exchange is generally

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<sup>6</sup> See Section 2- *Execution and Delivery of a Tax Election by BCE*.

this Elected Amount, less the amount of any cash received subject to certain provisions in the Tax Act.

## SCHEDULE B

### COMPLETING THE TAX ELECTION QUESTIONNAIRE

#### Getting Started

Before starting, you will need the following:

1. Identification related information, including the Former Bell Aliant Shareholder's name, address, social insurance number or business number, relevant taxation year, and, if applicable, similar information for co-owners of the Common Shares;
2. The number of Common Shares the Former Bell Aliant Shareholder disposed of in favor of BCE pursuant to the Offer;
3. The aggregate adjusted cost base of the Common Shares the Former Bell Aliant Shareholder disposed of pursuant to the Offer; and
4. The total amount of cash (in Canadian dollars) and the total number of BCE Common Shares received pursuant to the Offer.

#### About the Questionnaire

The Questionnaire is separated into two parts as follows:

1. Part I – Identification
2. Part II – Required Tax Information

To assist you in understanding the information requirements of each of these parts, the following pages of this Tax Instruction Letter will briefly provide descriptions of these requirements. The numbers of each description coincide with the related question in the Questionnaire.

#### *Part I – Identification*

This Part requires the Former Bell Aliant Shareholder to provide the following information:

##### **1. Name of Former Bell Aliant Shareholder**

Enter the legal name of the Former Bell Aliant Shareholder (generally should be the name listed on the Former Bell Aliant Shareholder's income tax return).

##### **2. Type of Former Bell Aliant Shareholder**

Identify the Former Bell Aliant Shareholder as being an individual, a corporation, a trust or a partnership. You will also be asked to confirm the residency of the Former Bell Aliant Shareholder as Canadian, or, in the case of a partnership if any of the partners are residents of Canada.

### **3. Social Insurance Number, Business Number, Trust Account Number or Partnership Identification Number**

Provide the relevant identification number(s) of the Former Bell Aliant Shareholder.

### **4. Address of the Former Bell Aliant Shareholder**

Provide the address of the Former Bell Aliant Shareholder (generally should be the address listed on the Former Bell Aliant Shareholder's income tax return).

### **5. Taxation Year of the Former Bell Aliant Shareholder**

The taxation year that the Former Bell Aliant Shareholder must provide is the taxation year that includes the Effective Date of the Offer.

- (a) An individual (other than a trust) is taxed on a calendar year basis and generally has a December 31 taxation year-end. A Former Bell Aliant Shareholder that is an individual will generally provide the taxation year as 2014/01/01 to 2014/12/31.
- (b) A corporation may have a taxation year that ends at any time in the year. A Former Bell Aliant Shareholder that is a corporation must provide the taxation year that includes the Effective Date of the exchange. For example, if the corporation's year began on July 1, 2014 and ends on June 30, 2015; the taxation year provided should be 2014/07/01 to 2015/06/30.
- (c) An *inter vivos* trust is taxed on a calendar year basis and generally has a December 31 taxation year-end. A Former Bell Aliant Shareholder who is an *inter vivos* trust that was established on or before January 1, 2014 will generally provide the taxation year as 2014/01/01 to 2014/12/31.
- (d) A testamentary trust may have a taxation year that ends at any time of the year. A Former Bell Aliant Shareholder that is a testamentary trust must provide the taxation year that includes the Effective Date of the exchange. For example, if the testamentary trust's year began on July 1, 2014 and ends on June 30, 2015, the taxation year provided should be 2014/07/01 to 2015/06/30.
- (e) A partnership with at least one partner that is a corporation may have a taxation year that ends at any time of the calendar year. A Former Bell Aliant Shareholder that is a partnership must provide the taxation year that includes the Effective Date of the exchange. For example, if the partnership's year began on July 1, 2014 and ends on June 30, 2015, the taxation year provided should be 2014/07/01 to 2015/06/30.

### **6. Tax Services Office of the Former Bell Aliant Shareholder**

For federal purposes, indicate the Tax Services Office ("**Tax Services Office**") that normally serves the Former Bell Aliant Shareholder (generally the Tax Services Office at which the Former Bell Aliant Shareholder files their income tax return each year).

The CRA has designated specific Tax Services Offices for all corporations and individuals, depending on where they are located. For a Former Bell Aliant Shareholder that is a corporation or an individual, the Tax Services Offices and the locations that they serve are listed on the CRA website: <http://www.cra-arc.gc.ca/cntct/tso-bsf-eng.html>.

For a Former Bell Aliant Shareholder that is a trust or a partnership, the applicable Tax Services Office is the Ottawa Technology Centre regardless of where the Former Bell Aliant Shareholder is located.

## **7. Contact Information**

BCE may need to contact you (or a contact person) to clarify the information contained in the Questionnaire submitted. BCE requests that each Former Bell Aliant Shareholder provide a telephone number, facsimile number, home address and e-mail address to facilitate any contact.

BCE also requires the Former Bell Aliant Shareholder's email address in order to send the completed copies of the Tax Election. Without a valid email address, a copy of the Tax Election will not be provided. Should you wish to receive a paper copy of the completed copies of the Tax Election, please indicate so and ensure you have provided the correct mailing address.

## **8. Name of Co-owner(s) of the Common Shares**

If you owned Common Shares together with another owner or owners (a “**co-owner**” or “**co-owners**”, as the case may be), a single Questionnaire completed by one of the co-owners designated for such purpose (the “**Designated Co-Owner**”) may be used for purposes of the Tax Election. **Note that in this case, each co-owner is not able to choose the co-owner's own particular Elected Amount.** The Designated Co-Owner must answer “Yes” to the question 8(a) “Are you requesting a Tax Election on behalf of all electing co-owners?” in the Questionnaire and provide the information requested for each co-owner (including contact information, the percentage share, etc.). BCE will prepare the Tax Election(s) for each co-owner and send the forms to the Designated Co-Owner. Then the Designated Co-Owner must sign one completed copy of each Tax Election form and file the forms together with a list of all co-owners electing and proof of authority to sign on behalf of such co-owners with the CRA and MRQ, as applicable.

If no co-owner is designated to submit the Tax Election Information on behalf of all electing co-owners (i.e. answer “No” to the question 8(a) “Are you requesting a Tax Election on behalf of all electing co-owners?”), then each co-owner must submit their own Tax Election Information and a Tax Election(s) will be prepared for each of them to sign and file with the tax authorities. **If separate Tax Elections are filed, each co-owner is able to choose the co-owner's own particular Elected Amount.**

Refer to Question 3 of the Frequently Asked Questions section of this Tax Instruction Letter for more information about completing a Tax Election if there are co-owners.

For Québec purposes, where shares are held by two or more owners, only one owner is required to file the form.

## ***Part II – Required Tax Information***

This Part requires the Former Bell Aliant Shareholder to provide information that will be used by the CRA to determine the tax consequences resulting from the disposition of the Common Shares.

### **9. Were any of the Common Shares disposed of capital properties?**

The determination of whether the Common Shares were capital property to the Former Bell Aliant Shareholder is a question of fact depending on the Former Bell Aliant Shareholder's particular circumstances. A Former Bell Aliant Shareholder's Common Shares generally would have been considered capital property to the Former Bell Aliant Shareholder unless they were held in the course of carrying on a business of trading or dealing in securities, or in the course of an adventure or concern in the nature of trade.

Generally, most Former Bell Aliant Shareholders held the Common Shares as capital property and will answer this question "Yes". Some Former Bell Aliant Shareholders, however, held Common Shares as inventory or as part of an adventure or concern in the nature of trade and will answer this question "No".

A Former Bell Aliant Shareholder should consult with its own tax advisor if unsure of the nature of the Common Shares.

### **10. Are you required to file a Québec income tax return?**

As discussed previously, Former Bell Aliant Shareholders that are required to file a Québec income tax return are also required to make an additional Québec Tax Election in order to defer all or a portion of any gain that might otherwise arise for Québec income tax purposes. For Former Bell Aliant Shareholders who answer "Yes" to this question, BCE will prepare a Québec Tax Election based on the information provided by the Former Bell Aliant Shareholder in the Questionnaire, and send the Québec Tax Election to the Former Bell Aliant Shareholder to sign and file with MRQ.

A Former Bell Aliant Shareholder filing the Québec Tax Election with MRQ must also file the federal Tax Election with the CRA. In addition, a copy of the federal Tax Election filed must be enclosed with the Québec Tax Election filed with MRQ.

Former Bell Aliant Shareholders filing in Québec should note that corporations established in Québec are required to file the French version of the Québec Tax Election; however, the copy of the federal Tax Election can be the English version.

### **11. The amount of cash and number of BCE Common Shares received by the Former Bell Aliant Shareholder**

The amount of cash and number of BCE Common Shares received can be found on the Former Bell Aliant Shareholder's brokerage statement that includes the Effective Date of the Offer.

In the case of co-owners, the Former Bell Aliant Shareholder should enter the total amount of cash

and the total number of BCE Common Shares received by all co-owners, including those of any co-owners that decide not to elect. The total amounts are required to properly reflect the proportionate interest for each electing co-owner.

**12. The total number of Common Shares disposed of by the Former Bell Aliant Shareholder (and all co-owners, if applicable)**

The number of Common Shares disposed of can be found on the Former Bell Aliant Shareholder's brokerage statement that includes the Effective Date of the Offer.

**13. Adjusted cost base or cost amount (as applicable) of the Common Shares disposed of by the Former Bell Aliant Shareholder**

The rules for determining the adjusted cost base ("ACB") (or "cost amount" in the case of inventory) are complex. BCE does not have access to information that can assist Former Bell Aliant Shareholders in determining their particular ACB or cost amount.

The ACB of the Common Shares will generally be the amount paid by the Former Bell Aliant Shareholder to acquire the Common Shares plus any reasonable costs to acquire the shares, or if received as a distribution from Bell Aliant, the ACB may be the fair market value of the shares at the time of the distribution. The ACB may be adjusted in certain circumstances (e.g., where a Former Bell Aliant Shareholder received its Common Shares due to a previous tax-deferred transaction or where a Former Bell Aliant Shareholder received its Common Shares as a gift).

Each Former Bell Aliant Shareholder should consult its own tax advisor to obtain assistance in determining the correct amount in respect of the Common Shares disposed of pursuant to the Offer.

**14. Elected amount**

The Elected Amount (as discussed in the Offer) is chosen by the Former Bell Aliant Shareholder, within certain parameters defined in the Tax Act and the Québec Tax, where applicable, to affect the tax results of the disposition of the Common Shares. The Elected Amount will be considered to be the proceeds of disposition reported in the Former Bell Aliant Shareholder's income tax return for purposes of computing any gain or loss.

Former Bell Aliant Shareholders who wish to minimize any gain on the disposition of the Common Shares should answer "Yes" to Question 14 of the Questionnaire. By answering "Yes", the lowest possible Elected Amount allowed by the Tax Act will be used in completing the Tax Election.

Alternatively, Former Bell Aliant Shareholders may choose to use another amount as their Elected Amount, subject to the rules outlined below. Former Bell Aliant Shareholders who answer "No" must manually input their Elected Amount in the second part of Question 14.

As described in the Offer, the Elected Amount for Common Shares disposed of pursuant to the Offer must comply with the following rules:

- (a) the Elected Amount may not be less than the fair market value of the consideration received by the Former Bell Aliant Shareholder on the exchange;

- (b) the Elected Amount may not be less than the lesser of (i) the ACB of the Common Shares and (ii) the fair market value of the Common Shares at the time of the exchange; and
- (c) the Elected Amount may not be greater than the fair market value of the Common Shares at the time of the exchange.

If the fair market value of the Common Shares is less than the ACB (that is, the disposition results in a loss), a Former Bell Aliant Shareholder cannot file a Tax Election.

Former Bell Aliant Shareholders should consult their tax advisors regarding the selection of the appropriate Elected Amount in respect of Common Shares disposed of pursuant to the Offer.

#### **15. Individuals in a “financial reporting oversight role” (“FROR”).**

To ensure the rules and regulations of the Securities Exchange Commission (SEC) are not violated by any party, we must be informed if any Former Bell Aliant Shareholder making a Tax Election is an individual in a FROR of a SEC registrant company. The SEC’s FROR rules and regulations only apply to individuals. If the Former Bell Aliant Shareholder is a corporation, a trust or a partnership, the answer to this question should be “No”.

Persons in a financial reporting oversight role (FROR) are considered to include individuals in the roles of Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer, general counsel, Chief Administrative Officer, controller, director of internal audit, director of financial reporting, treasurer and any equivalent position of an SEC registrant company. The spouse of a Former Bell Aliant Shareholder includes a spouse or a spousal-equivalent (e.g., common-law spouse or domestic partner)

## SCHEDULE C

### FREQUENTLY ASKED QUESTIONS

***Q1. How do I confirm the number of BCE Common Shares and cash I received pursuant to the Offer?***

A1. If you are a registered shareholder (meaning that you had a physical certificate representing your Common shares), CST Trust Company<sup>7</sup> may be able to provide you with this information. If you held your Common shares in an account with an investment dealer or broker, they may be able to provide you with this information. Alternatively, this information should be on your brokerage statement for the period that includes the Effective Date of the Offer.

***Q2. I hold preferred shares of Bell Aliant. Do I need to complete the Tax Election?***

A2. This Tax Instruction Letter only applies to holders of Common shares of Bell Aliant. If you hold preferred shares of Bell Aliant, this Tax Election Questionnaire is not applicable and should not be completed, as the Offer was solely with regards to the Common shares of Bell Aliant. Please consult your tax advisor. For more information concerning the tendering of your preferred shares, please see the BCE Preferred Share Exchange Offer Circular (August 14, 2014).

***Q3. What happens if I was entitled to a fraction of a BCE Common Share?***

A3. In no event were fractional BCE Common Shares issued upon the exchange of a Common Share. Where the aggregate number of BCE Common Shares to be issued as consideration under the Offer would have resulted in a fraction of a BCE Common Share, (a) the number of BCE Common Shares to be received by the Former Bell Aliant Shareholder was rounded down to the nearest whole BCE Common Share and (b) in lieu of a fractional BCE Common Share, such Former Bell Aliant Shareholder received a cash payment in Canadian dollars (rounded down to the nearest cent) equal to the product of the closing price of the BCE Common Shares on the TSX on the Business Day (as defined in the Offer) immediately prior to the date upon which such fraction of a BCE Common Share would otherwise be issued, multiplied by such fraction of a BCE Common Share.

***Q4. I owned Common Shares together with other co-owners (e.g. my spouse). Who should complete and sign the Tax Election?***

A4. A single Questionnaire may be used for the federal Tax Election or the Québec Tax Election if one co-owner is chosen to submit the Tax Election Information on behalf of all co-owners (the “**Designated Co-Owner**”). If a single Questionnaire is being used, you must respond “yes” to the question 8(a) “Are you requesting a tax election on behalf of all electing co-owners?” in the Part I

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<sup>7</sup> You can contact the CST Trust Company at 1-866-271-6893 toll free in North America, or at 1-416-682-3860 outside of North America, or by e-mail at [inquiries@canstockta.com](mailto:inquiries@canstockta.com).

- Identification section of the Questionnaire and **each co-owner is not able to choose the co-owner's own particular Elected Amount.**

The Designated Co-Owner must provide the required information for each electing co-owner in the Questionnaire. BCE will prepare the Tax Election(s) for each co-owner and send the forms to the Designated Co-Owner. Then the Designated Co-Owner must sign one completed copy of each Tax Election and file the forms together with a list of all co-owners electing and proof of authority to sign on behalf of such co-owners with the CRA and MRQ, as applicable.

Alternatively, each co-owner may complete the co-owner's own Questionnaire. In this case, each co-owner should set out the co-owner's respective ownership interest in the Common Shares and report amounts on the co-owner's Questionnaire corresponding to that ownership percentage. The co-owner should also choose co-owner's own Elected Amount in respect of co-owner's particular ownership interest in the Common Shares. **If separate Tax Elections are filed, each co-owner is able to choose the co-owner's own particular Elected Amount.**

***Q5. How do I determine how many Common Shares were disposed of pursuant to the Offer?***

A5. If you are a registered shareholder (meaning that you had a physical certificate representing your common shares), CST Trust Company may be able to provide you with this information. If you held your Common shares in an account with an investment dealer or broker, they may be able to confirm the number of Common Shares you disposed of. Alternatively, this information should be on your brokerage statement for the period that includes the Effective Date of the Offer.

***Q6. Will BCE help me complete the Tax Election?***

A6. No. After receiving the completed Questionnaire, BCE (or its representative) will compile a Tax Election form based solely on the Tax Election Information provided by the Former Bell Aliant Shareholder. To enable Former Bell Aliant Shareholder to submit their Tax Election Information, BCE has made the Questionnaire available to Former Bell Aliant Shareholders in a web-based format as well as a paper format, available upon request. This Tax Instruction Letter describes how to complete the Questionnaire. Additionally, Former Bell Aliant Shareholders may call the **Technical Assistance Helpline** indicated on page 3 of this Tax Instruction Letter for technical assistance regarding use of the Questionnaire. Neither BCE nor its representative will provide legal or tax advice to any Former Bell Aliant Shareholder in connection with their Tax Election.

It is each Former Bell Aliant Shareholder's responsibility to review the Tax Election form for accuracy and completeness, sign it and file it with the CRA and MRQ, if applicable. BCE will not verify the accuracy of the information contained in the Questionnaire.

***Q7. Is there a fee for making the Tax Election?***

A7. No, you are not required to pay any fees to make the Tax Election, provided the Tax Election is filed by your Filing Deadline. The CRA and MRQ, if applicable, may levy a penalty for a late filed Tax Election.

***Q8. How do I calculate the ACB of my Common Shares?***

A8. The ACB of a Former Bell Aliant Shareholder's Common Shares that are capital property will generally be the amount that the Former Bell Aliant Shareholder paid for the Common Shares when they were originally acquired plus reasonable costs to acquire the shares such as a broker commission. The cost of particular Common Shares may be different due to certain events (e.g., where a shareholder received their Common Shares in a tax-deferred transaction or by way of a gift). If the Former Bell Aliant Shareholder received the Common Shares as a distribution from Bell Aliant the cost of those shares would generally be their fair market value at the time of the distribution. The ACB of a Former Bell Aliant Shareholder's Common Shares acquired at any time will be determined by averaging the cost of such shares with the ACB of the Common Shares held by the Former Bell Aliant Shareholders as capital property immediately before that time.

The rules for determining the ACB are complex. You should consult your own tax advisor to obtain assistance.

***Q9. I received my Common Shares from my spouse or common law partner through an inheritance or gift. What is my ACB?***

A9. Generally, if you received your Common Shares from your spouse or common law partner through an inheritance or gift and the Common Shares were held by you as capital property, the starting point for calculating the ACB of the Common Shares will be the ACB of the Common Shares to your spouse or common law partner immediately before their death or the gifting of the shares. However, the rules in this area are complex and you should consult your tax advisor for more information.

***Q10. What happens if BCE does not receive my Tax Election Information by the Tax Election Deadline?***

A10. BCE has agreed to make a Tax Election with Former Bell Aliant Shareholders only if complete and correct Tax Election Information is provided on or before the Tax Election Deadline, so it is important to provide your complete and correct information by that deadline. BCE may, but is not obligated to, make a Tax Election if the Tax Election Information is received after the Tax Election Deadline. Consequently, you should ensure that the Former Bell Aliant Shareholder's complete and accurate Tax Election Information is received by BCE in accordance with the procedures set out above by the Tax Election Deadline. Accordingly, if you wish to make a Tax Election with BCE you should give your immediate attention to this matter.

***Q11. I filed the Tax Election to obtain a full tax-deferred rollover on the disposition of my Common Shares. Do I have to report the disposition on my tax return for the period that includes the disposition of the Common Shares?***

A11. Yes. You must report the disposition of Common Shares even though you elected to obtain a full deferral of any capital gain that might otherwise arise on the disposition of your Common Shares pursuant to the Offer. A Former Bell Aliant Shareholder's proceeds of disposition for Canadian income tax purposes will be equal to the Elected Amount set out in box B on page 3 of the federal Tax Election (and equivalent box on a Québec Tax Election).

***Q12. I have completed and submitted the Questionnaire to BCE. What do I do next?***

A12. After receiving a properly completed Questionnaire, a Tax Election will be compiled using the information that the Former Bell Aliant Shareholder has provided. BCE will execute the Tax Election(s) and send an electronic copy to you using the email address provided in the Questionnaire.

You should then review the Tax Election. If you do not agree with the content, calculations or any disclosures, contact the Technical Assistance Helpline indicated on page 3 of this Tax Instruction Letter. If you are satisfied, sign and file the Tax Election(s) with the CRA and MRQ, if applicable. Please also refer to section “Filing a Tax Election with the Tax Authorities” on page 4.

***Q13. I am a non-resident of Canada. What are my tax consequences resulting from the Offer?***

A13. A summary of the Canadian income tax consequences to non-residents of Canada can be found in the Offer under the heading “*Certain Canadian Federal Income Tax Consequences*”.

The Offer does not permit a Non-Resident Holder to make a Tax Election (however, a Former Bell Aliant Shareholder may include a partnership having both residents and non-residents of Canada as members).

***Q14. If I make a Tax Election in Québec, am I required to make a federal Tax Election?***

A14. Yes, a Former Bell Aliant Shareholder making a Québec Tax Election must also make a federal Tax Election. Note that a copy of the federal Tax Election must be submitted to MRQ when filing the Québec Tax Election. A Former Bell Aliant Shareholder that is a corporation established in Québec is required to file the French version of the Québec Tax Election; however, the copy of the federal Tax Election can be the English version.