THE BOARD OF DIRECTORS' LETTER TO SHAREHOLDERS

APPROACH TO EXECUTIVE COMPENSATION

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

BCE

8 The Board of Directors' letter to shareholders

Dear fellow shareholders:

On behalf of the Compensation Committee and the Board, we are pleased to share with you our approach to executive compensation, including the framework we have used to make our compensation decisions for 2017.

95% Say on Pay approval

Our annual "Say on Pay" advisory vote once again received overwhelming support, with 94.62% of the votes cast in favour of our executive compensation program. We appreciate this support and believe it reflects broad and deep shareholder endorsement that our compensation philosophy aligns the interests of shareholders and management, especially by incorporating our dividend growth strategy into our long-term incentive performance criteria.

In 2017, the dividend was increased by 5.1% to reach $2.87. With the announcement of another increase of 5.2% in 2018, while remaining within free cash flow payout policy range of 65%–75%, this will bring the annual dividend payout to $3.02. The 2018 dividend increase represents the fourteenth increase to BCE's annual common share dividend since Q4 2008, totalling a 107% increase. This is BCE's 10th consecutive year of 5% or better dividend growth.

2017 marked a year of strong performance across the business. We achieved all 2017 financial guidance targets. Revenue increased 4.6%, with solid growth from all our Bell segments, despite significant regulatory pressure impacting all three of our segments. This reflected the contribution from the acquisitions of MTS and Q9 Networks Inc. Adjusted EBITDA grew 4.4%, driven by strong performance across our Wireless and Wireline segments, offset in part by a decline in Bell Media. Adjusted EBITDA margin of 40.4% remained relatively stable year over year. The growth was driven by higher Wireless, Internet, IPTV and Media revenues, the impact of the acquisitions of MTS and Q9, along with continued effective cost management. This more than offset the ongoing revenue declines in wireline voice, satellite TV and legacy data services, increased investment in wireless subscriber retention and acquisition, and significant regulatory pressures, as well as higher Bell Media programming and content costs. Adjusted EPS of $3.39 in 2017 reflects higher adjusted EBITDA driven by the increased contribution of Bell's growth services moderated by the dilution from shares issued for the acquisition of MTS. The 6.0% growth in free cash flow supported a 17.8% capital intensity spending ratio and the 2017 dividend increase.

OUR APPROACH TO EXECUTIVE COMPENSATION

BCE is focused on a pay-for-performance approach to compensation for all team members, including our executive team. This philosophy supports the execution of Bell's 6 Strategic Imperatives (Improve Customer Service, Leverage Wireline Momentum, Achieve a Competitive Cost Structure, Accelerate Wireless, Invest in Broadband and Expand Media Leadership) and our commitment to deliver ongoing and stable returns to shareholders.

OUR APPROACH TO COMPENSATION IS TO ACHIEVE ONE ULTIMATE GOAL: TO GROW LONG-TERM VALUE FOR YOU

Our executive compensation policies and programs are designed to attract and retain the highest calibre of talent at a competitive cost to the Corporation and to ensure they are motivated to pursue our goal to grow long-term shareholder value. We recognize that long-term growth and value creation requires taking an acceptable level of risk and we ensure our compensation policies and practices reward executives for short-, medium- and long-term decision making and performance and do not encourage undue risk taking or produce excessive compensation levels. We are committed to ensuring there is a strong and direct link between our financial results, shareholder value creation and the resulting executive compensation. This alignment between shareholder value creation and the compensation of our executives is demonstrated in the CEO look-back table, which can be found in section 10 entitled *President and CEO compensation*.

OUR KEY COMPENSATION DECISIONS FOR 2017

BCE's compensation policies and programs are reviewed regularly to ensure that they are still competitive, linked to performance and aligned with shareholders' interests. A full review, performed every two years, was completed in the fall of 2016. Our compensation programs remained largely unchanged in 2017.

BASE SALARY

Our target positioning for base salaries is at the 50th percentile of our comparator group. Salaries are reviewed from time to time and adjusted to reflect increases in responsibilities and market trends. Consideration is also given to experience, performance and internal equity. In 2017, aggregate NEO salaries decreased by 2% from the 2016 levels. Details about any changes to base salaries of 2017 NEOs can be found in section 11 entitled *Compensation of our named executive officers*.

ANNUAL SHORT-TERM INCENTIVE PLAN

Annual short-term incentive targets remained at their 2016 levels of 100% of base salary for all of our executive officers and 150% for our President and CEO.

Our annual short-term incentive plan is designed to reward achievement of a range of critical financial and operating metrics. The financial metrics – adjusted EBITDA, revenue and free cash flow – are key indicators widely used to measure financial performance in the communications industry across North America. These metrics have been used in the plan since 2009. The operating metrics continued to be based on the 6 Strategic Imperatives that guide the continued strength of the Bell brand, our improved competitiveness and market performance and an enhanced ability to return value to shareholders. This combination of well-established financial and operating measures aligned with our strategy provides the team with a clear and motivating compensation structure.

100% 2017 Corporate performance index

In 2017, the Corporation demonstrated growth across all financial metrics, achieved all financial guidance targets and maintained solid performance on the 6 Strategic Imperatives. Consequently, we approved a corporate performance index of 100% out of a possible 150%. This index accounts for 70% of the annual short-term incentives paid out to executive officers, while personal performance accounts for the remaining 30%.

100% Attainment of 2015 PSU vesting goals

LONG-TERM INCENTIVE PLAN

Our long-term incentive plan did not change in 2017. Executive grants are comprised of 50% RSUs, 25% PSUs and 25% option grants. The 2015 PSU grants, which vested in 2017, achieved 100% payout with free cash flow per share exceeding target and falling within our target payout ratio of 65%–75% of free cash flow available to common shareholders.

2017 CEO COMPENSATION

For 2017, the Board and Compensation Committee made no changes to the target total direct compensation of our President and CEO. Mr. Cope's target compensation has been unchanged since 2013. 85% of Mr. Cope's target total direct compensation is considered to be at risk, 22% pertaining to his annual incentive and 63% to long-term incentives.

Mr. Cope's actual total direct compensation for 2017 was $10.6 million, up by 8% compared to 2016, as a result of the increase in his 2017 short-term incentive plan award ($3.36 million in 2017 versus $2.58 million in 2016). This increase was driven by the strong corporate performance result (100% in 2017 versus 90% in 2016) and also the Compensation Committee's recognition through his individual performance index of Mr. Cope's leadership in driving the Corporation to growth across all financial metrics, while leading the Bell team in its strong operational performance and strategic progress.

In 2017, the Compensation Committee was presented for the second year with a CEO vertical pay ratio analysis, including a comparison between the CEO's total direct compensation and the median annual total direct compensation for all employees. This analysis was provided for the Compensation Committee's information and to provide additional context as the Compensation Committee determined its compensation recommendations for 2018, as described later in section 9.2 entitled *Setting executive compensation*.

2017 NAMED EXECUTIVE OFFICER COMPENSATION

In February 2017, Randy Lennox was appointed as President of Bell Media following Mary Ann Turcke's departure from the Corporation. The composition of Bell's senior leadership team otherwise remained the same in 2017, with Stephen Howe, EVP and Chief Technology Officer, becoming a named executive officer for 2017. As noted in section 11 entitled *Compensation of our named executive officers*, compensation adjustments were made in 2017 for Wade Oosterman and Glen LeBlanc to reflect their responsibilities and to ensure their compensation remains competitive with their counterparts at our key competitors.

LOOKING AHEAD TO 2018

Although we continually monitor compensation levels and trends in executive compensation, we are confident that our current compensation structure is competitive and meets the objectives of our compensation philosophy and, therefore, is expected to remain largely unchanged in 2018.

CONCLUSION

The responsibility for executive compensation rests with the Board, and we confirm that we fully understand the long-term implications of the executive compensation decisions we make and the programs we approve.

Members of the Compensation Committee will be present at the meeting to answer any questions you may have about executive compensation. Alternatively, shareholders can reach us through the Corporate Secretary's Office or the Investor Relations Group at 1 Carrefour Alexander-Graham-Bell, Building A, 7th floor, Verdun, Québec, Canada, H3E 3B3 or call 1-800-339-6353. Our approach to executive compensation supports the execution of the Corporation's strategy, and we remain committed to developing the compensation policies and programs that will continue to produce the results that deliver value to you, our shareholders.

Gordon M. Nixon
Chair of the Board

Robert E. Brown
Chair of the Compensation Committee

March 8, 2018