

*This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, broker, lawyer or other professional advisor.*

*If you have questions, please contact CST Phoenix Advisors, our information agent, by telephone at 1-866-822-1244 (Toll Free in North America) or 1-201-806-7301 (Collect Outside North America) or by email at [inquiries@phoenixadvisorscst.com](mailto:inquiries@phoenixadvisorscst.com).*

*The transactions described in this document have not been approved by any securities regulatory authority nor has any securities regulatory authority expressed an opinion about the fairness or merits of such transactions, the securities offered pursuant to such transactions or the adequacy of the information contained in this document. Any representation to the contrary is an offence. **Remaining Shareholders in the United States should read the Notice to Remaining Shareholders in the United States on page 4 of this Notice of Compulsory Acquisition.***



October 10, 2014

## **NOTICE OF COMPULSORY ACQUISITION**

### **TO: THE HOLDERS OF COMMON SHARES OF BELL ALIANT INC.**

BCE Inc. (the “**Offeror**”) made an offer (the “**Offer**”) pursuant to an offer and accompanying circular dated August 14, 2014, as amended by a notice of extension dated September 22, 2014 (collectively, the “**Offer and Circular**”), to purchase, upon the terms and subject to the conditions described therein, all of the issued and outstanding common shares (“**Common Shares**”) of Bell Aliant Inc., other than Common Shares held by BCE Inc. and its Affiliates, on a per share basis of, at the election of each holder of Common Shares: (a) \$31.00 in cash, subject to pro-ration (the “**Cash Alternative**”); (b) 0.6371 of an Offeror Common Share, subject to pro-ration (the “**Share Alternative**”); or (c) \$7.75 in cash and 0.4778 of an Offeror Common Share (the “**Cash and Share Alternative**”).

The Offer expired at 5:00 p.m. (Eastern Time) on October 2, 2014. Common Shareholders holding more than 90% of the outstanding Common Shares on the date of the Offer, other than Common Shares held by or on behalf of the Offeror and its Affiliates, accepted the Offer. The Offeror has taken up and paid for all Common Shares validly deposited under the Offer. As a result, the Offeror (together with its Affiliates) now owns approximately 215,818,840 Common Shares, representing approximately 94.73% of the outstanding Common Shares.

The Offeror hereby gives you notice of the exercise of its right (the “**Compulsory Acquisition**”) under section 206(2) of the *Canada Business Corporations Act* (the “**CBCA**”) to acquire all Common Shares not acquired by it under the Offer (the “**Remaining Shares**”).

Pursuant to subsection 206(3)(c) of the CBCA, each holder of Remaining Shares (a “**Remaining Shareholder**” or “**you**”) is required to elect to:

- (a) transfer his, her or its Remaining Shares to the Offeror, at the Remaining Shareholder’s option, for: (i) the Cash Alternative; (ii) the Share Alternative; or (iii) the Cash and Share Alternative, and otherwise on the same terms on which the Offeror acquired the Common Shares from the Common Shareholders who accepted the Offer subject in the case of the Cash Alternative and Share Alternative to pro-ration as described in Section 12 of the Offer, “Pro-Rationing Under the Offer”; or
- (b) demand payment of the fair value of his, her or its Remaining Shares in accordance with subsections 206(9) to (18) of the CBCA by notifying the Offeror within 20 days after the Remaining Shareholder receives or is deemed to receive this Notice of Compulsory Acquisition, namely on or before 5:00 p.m. (Eastern time) on November 10, 2014 (the “**Final Election Date**”).

In no event shall any Remaining Shareholder be entitled to a fractional Offeror Common Share. Where the aggregate number of Offeror Common Shares to be issued to a Remaining Shareholder pursuant to the Compulsory Acquisition would result in a fraction of an Offeror Common Share being issuable (a) the number of Offeror Common Shares to be received by such Remaining Shareholder will be rounded down to the nearest whole Offeror Common Share and (b) in lieu of a fractional Offeror Common Share, such Remaining Shareholder shall receive a cash payment in Canadian dollars (rounded down to the nearest cent) equal to the product of the closing price of the Offeror Common Shares on the Toronto Stock Exchange on the Business Day immediately prior to the date upon which such fraction of an Offeror Common Share would otherwise be issued, multiplied by such fraction of an Offeror Common Share.

Enclosed with this Notice of Compulsory Acquisition is a letter of transmittal and election form (printed on **PINK** paper) (the “**Letter of Transmittal and Election Form**”), which, if completed and returned in the enclosed envelope to CST Trust Company (the “**Depositary**”) at the address set forth below so as to be received on or before 5:00 p.m. (Eastern time) on the Final Election Date, will constitute notice to the Offeror of your election.

**If you do not notify the Offeror of your election as indicated above on or before the Final Election Date, or if an election is improperly made, you will be deemed to have elected to transfer your Remaining Shares to the Offeror for the Cash and Share Alternative referred to in (a)(iii) above and you will be deemed to have received such cash consideration and share consideration as consideration for the whole of each Remaining Share.**

Capitalized terms used in this Notice of Compulsory Acquisition and not otherwise defined, have the meanings given to such terms in the Offer and Circular, which is available at [www.sedar.com](http://www.sedar.com).

Certain Remaining Shareholders who receive Offeror Common Shares pursuant to the Compulsory Acquisition (whether pursuant to the Share Alternative, the Cash Alternative (in the event of pro-ration), or the Cash and Share Alternative) may be entitled to make a Tax Election to obtain a full or partial tax deferral in respect of a capital gain that may arise on the disposition of Remaining Shares pursuant to the Compulsory Acquisition.

Remaining Shareholders should make reference to Section 25 of the Offer and Circular, “Certain Canadian Federal Income Tax Considerations”, including with respect to the timing and procedures for making any available Tax Election. Remaining Shareholders are urged to consult their own tax advisors for more information regarding the potential tax consequences to them of a disposition of Remaining Shares pursuant to the Compulsory Acquisition.

## NOTICE TO REMAINING SHAREHOLDERS IN THE UNITED STATES

The Offeror has filed with the U.S. Securities and Exchange Commission (the “SEC”) a Registration Statement on Form F-8 and other documents and information concerning the Offer, the Compulsory Acquisition and the proposed acquisition of the Company, and expects to mail this Notice of Compulsory Acquisition to Remaining Shareholders. **REMAINING SHAREHOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT, OFFER AND CIRCULAR AND NOTICE OF COMPULSORY ACQUISITION AND ANY OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** Investors and Remaining Shareholders will be able to obtain the documents free of charge at the SEC’s website, [www.sec.gov](http://www.sec.gov).

The Offer was made, and the Compulsory Acquisition is being made, for the securities of a Canadian issuer and by a Canadian issuer that was and is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare the Offer and Circular and this Notice of Compulsory Acquisition, respectively, in accordance with the disclosure requirements of Canada. Remaining Shareholders in the United States should be aware that such requirements are different from those of the United States.

Remaining Shareholders in the United States should be aware that the disposition of their Remaining Shares and the acquisition of Offeror Common Shares by them as described herein may have tax consequences both in the United States and in Canada. Such consequences are not described fully herein and such Remaining Shareholders are encouraged to consult their tax advisors. See “Certain Canadian Federal Income Tax Considerations” in Section 25 and “Certain United States Federal Income Tax Considerations” in Section 26 of the Offer and Circular filed with the initial filing of the Offeror’s Registration Statement on Form F-8 on August 14, 2014.

The U.S. federal income tax consequences of a disposition of Remaining Shares pursuant to the Compulsory Acquisition will generally be the same as the U.S. federal income tax consequences described in Section 26 of the Offer and Circular with respect to a disposition of Common Shares pursuant to the Offer, replacing references to “Expiry Date” therein with the date of acquisition of Remaining Shares pursuant to the Compulsory Acquisition. Remaining Shareholders are urged to consult their own tax advisors regarding the potential U.S. tax consequences of the Compulsory Acquisition and of the ownership and disposition of any Offeror Common Shares received pursuant to the Compulsory Acquisition, in light of such Remaining Shareholder’s individual circumstances, as well as the consequences under the tax laws of any state, local or non-U.S. jurisdiction.

The enforcement by Remaining Shareholders of civil liabilities under U.S. federal Securities Laws may be affected adversely by the fact that each of the Offeror and the Company is incorporated under the Laws of Canada, that some or all of their respective officers and directors may be residents of a foreign country, that some or all of the experts named in the Offeror’s Registration Statement on Form F-8 may be residents of a foreign country and that all or a substantial portion of the assets of the Offeror and the Company and said persons may be located outside the United States.

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY U.S. STATE SECURITIES COMMISSION NOR HAS THE SEC OR ANY U.S. STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS NOTICE OF COMPULSORY ACQUISITION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**Remaining Shareholders should be aware that, prior to the consummation of the Compulsory Acquisition, the Offeror or its affiliates, directly or indirectly, may bid for or make purchases of Offeror Common Shares or Remaining Shares, or certain related securities, as permitted by applicable Law or regulations of the United States or Canada or its provinces or territories.**

### **HOW TO RESPOND TO THIS NOTICE OF COMPULSORY ACQUISITION**

Enclosed with this Notice of Compulsory Acquisition is a Letter of Transmittal and Election Form (printed on **PINK** paper), which, if completed and returned in the enclosed envelope to the Depository at the address set forth below so as to be received on or before 5:00 p.m. (Eastern time) on the Final Election Date, will constitute notice to the Offeror of your election.

**You must, in any event and regardless of which alternative of (a) and (b) as set out on page 2 above you elect, send your Letter of Transmittal and Election Form and all certificates representing your Remaining Shares to the Depository, as agent for the Offeror, at the following address on or before 5:00 p.m. (Eastern time) on the Final Election Date:**

#### ***By Mail***

P. O. Box 1036  
Adelaide Street Postal Station  
Toronto, Ontario M5C 2K4  
Canada  
Attention: Corporate Actions

#### ***By Registered Mail, Hand or by Courier***

B1 Level  
320 Bay Street  
Toronto, ON M5H 4A6  
Canada  
Attention: Corporate Actions

#### ***By Hand***

1660 Hollis Street  
Suite 406  
Halifax, NS B3J 1V7  
Canada

**Toll Free:** 1-866-271-6893  
**International:** 1-416-682-3860  
**E-mail:** [inquiries@canstockta.com](mailto:inquiries@canstockta.com)

If you elect (or are deemed to elect) alternative (a) as set out on page 2 above, your Offeror Common Shares and/or a cheque in payment for your Remaining Shares will be mailed to you after receipt by the Depository from you of: (i) the enclosed Letter of Transmittal and Election Form; and (ii) the certificate(s) representing your Remaining Shares.

An election to demand payment of fair value under alternative (b) as set out on page 2 above involves an application to court. Such an election may only be made by the registered holder of the Remaining Shares. Remaining Shareholders whose Remaining Shares are registered in the name of a nominee should immediately provide the enclosed Letter of Transmittal and Election Form indicating such election or other written notice of such election to the nominee for delivery by the nominee to the Depository together with the applicable share certificate(s) or other satisfactory written evidence of the Remaining Shareholder's ownership of such Remaining Shares or registration request in respect thereof, which the Offeror may accept in lieu of share certificates representing such Remaining Shares in its sole discretion. If you intend to elect alternative (b) as set out on page 2 above, you should consider consulting your legal advisor as to the procedure to be followed in demanding payment of the fair value of your Remaining Shares. Failure to comply strictly with such procedures may result in your being deemed to have elected the Cash and Share Alternative referred to in (a)(iii) as set out on page 2 above.

**If your Letter of Transmittal and Election Form (or other written notice of demand, if applicable) is not properly completed and received by the Depository on or before 5:00 p.m. (Eastern Time) on the Final Election Date, you will be deemed to have elected to transfer your Remaining Shares to the Offeror on the basis of the Cash and Share Alternative referred to in alternative (a)(iii) as set out on page 2 above and you will be deemed to have received such cash consideration and share consideration as consideration for the whole of each Remaining Share.**

The method used to deliver the Letter of Transmittal and Election Form, any accompanying certificate(s) representing Remaining Shares and all other required documents is at the option and risk of the Remaining Shareholder depositing these documents. It is recommended that delivery be made by hand to the Depository and that a receipt be obtained or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained. It is also recommended that any mailing be made sufficiently in advance to permit delivery to the Depository so as to be received by the Final Election Date. An envelope has been enclosed for your convenience. Delivery will only be effective upon actual receipt by the Depository.

If the certificate(s) representing your Remaining Shares have been lost or destroyed, you may contact the Depository at the above address for information on how to obtain replacement certificates. If a certificate has been lost, destroyed, mutilated or misplaced, please ensure that you provide your telephone number so that the Depository may contact you.

The Offeror will deposit with the Depository, as depository for the Compulsory Acquisition, by not later than October 30, 2014 and in trust for you in accordance with subsections 206(6) and 206(7) of the CBCA, that consideration which is required to acquire your Remaining Shares on the same terms as those on which the Offeror acquired the Common Shares of the Common Shareholders who accepted the Offer.

The foregoing is only a brief description of certain aspects of the right of Compulsory Acquisition and is qualified in its entirety by the provisions of section 206 of the CBCA and the disclosure provided in the Offer and Circular. The description is not intended to be comprehensive. Section 206 of the CBCA is complex and requires strict adherence to notice and timing provisions, failing which your rights may be lost or altered. Remaining Shareholders who wish to be better informed about those provisions of the CBCA should consult with their legal advisors.

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Yours very truly,

**BCE INC.**

Per: (Signed) GEORGE A. COPE

Name: George A. Cope

Title: President and Chief Executive Officer