

# BCE INC.

## DIRECTOR INDEPENDENCE STANDARDS

The Board of Directors is responsible for determining whether or not each director is independent within the meaning of the Canadian Securities Administrators National Instrument 58-101 (Disclosure of Corporate Governance Practices) and National Policy 58-201 (Corporate Governance Guidelines) (collectively, the “CSA Rules”) and the New York Stock Exchange corporate governance rules as amended (the “NYSE Rules”). To achieve this, the Board analyses all of the relationships each director has with BCE and its subsidiaries. To assist in this analysis, the Board adopted the following independence standards. In general, a director who meets these standards, and who does not otherwise have a material relationship (direct or indirect)<sup>1</sup> with BCE and its subsidiaries, would be considered independent under the CSA Rules and NYSE Rules.

The Board shall determine whether each director is independent on an annual basis at the time the Board approves director nominees for inclusion in the management proxy circular, identify each independent director, and disclose the basis for that determination. This process will also apply at such time as a director joins the board between annual shareholder meetings. Each director who has been determined to be independent shall notify the Chair of the Corporate Governance Committee, as soon as reasonably practicable, in the event that such director’s personal circumstances change in a manner that may affect the Board’s determination of whether such director is independent.

### I. Directors

A director will not be considered independent if:

#### A. *BCE Employment*

1. The director is, or has been within the last three years, an employee or executive officer of BCE<sup>2</sup>, other than employment as an interim chief executive officer; or
2. An immediate family member<sup>3</sup> of the director is, or has been within the last three years, an executive officer of BCE, other than employment as an interim chief executive officer.

#### B. *BCE Compensation*

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<sup>1</sup> A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

<sup>2</sup> For purposes of these standards, BCE includes BCE Inc. and its subsidiaries.

<sup>3</sup> For purposes of these standards, an “immediate family member” includes a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than employees of either the person or the person’s immediate family member) who shares such person’s home. However, individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or have become incapacitated, need not be considered.

1. The director (or an immediate family member employed as an executive officer) received more than \$75,000 during any 12-month period within the last three years in direct compensation from BCE, other than (a) director and Board committee fees and fixed amounts of compensation under a retirement plan or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), and (b) compensation for acting as an interim chief executive officer or a part-time chair or vice-chair of the Board or any Board committee.

**C. *BCE Auditor***

1. The director (or an immediate family member) is a current partner of a firm that is BCE's internal or external auditor;
2. The director is a current employee of such a firm;
3. The director has an immediate family member who is a current employee of such a firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or
4. The director (or an immediate family member) was within the last three years a partner or employee of such a firm and personally worked on BCE's audit within that time.

**D. *Employment by Another Company<sup>4</sup>***

1. The director (or an immediate family member) is, or has been within the last three years, employed as an executive officer of another company where any of BCE's present executive officers at the same time serves or served on that company's compensation committee;
2. The director is a current employee of a company that has made payments to, or received payments from, BCE for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of U.S. \$1 million or 2% of such company's consolidated gross revenues; or
3. An immediate family member of the director is a current executive officer of a company that has made payments to, or received payments from, BCE for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of U.S. \$1 million or 2% of such company's consolidated gross revenues.

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<sup>4</sup> For this subsection (D) only, contributions to tax exempt organizations shall not be considered payments.

## II. Additional Considerations for Audit Committee Members

Only independent directors may be members of the Audit Committee. In addition, a director shall not serve on the Audit Committee if (1) the director is an affiliated person of BCE or any of its subsidiaries, or (2) the director receives, directly or indirectly, any consulting, advisory fees or other compensatory fee from BCE or any subsidiary of BCE, other than director and Board committee fees and fixed amounts of compensation under a retirement plan or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

Indirect acceptance of compensation includes payments to:

1. a spouse, minor children or stepchildren, or adult children or stepchildren sharing a home with the member of the Audit Committee; or
2. an entity (1) in which the member of the Audit Committee is a partner, member, officer such as a managing director occupying a comparable position, or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and (2) which provides accounting, consulting, legal, investment banking or financial advisory services to BCE or a subsidiary of BCE.

## III. Additional Considerations for Management Resources and Compensation Committee Members

Only independent directors may be members of the Management Resources and Compensation Committee. When affirmatively determining the independence of any director who will serve on the Management Resources and Compensation Committee, BCE's Board of Directors must consider all factors specifically relevant to determining whether a director has a relationship to BCE which is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to:

1. the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by BCE to such director<sup>5</sup>; and
2. whether such director is affiliated with BCE, a subsidiary of BCE or an affiliate of a subsidiary of BCE<sup>6</sup>.

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<sup>5</sup> In considering sources of compensation, the Board should take into account whether the director receives compensation from any person or entity that would impair the director's ability to make independent judgments about BCE's executive compensation.

<sup>6</sup> In considering any affiliate relationship, the Board should consider whether that relationship places the director under the direct or indirect control of BCE or its senior management, or creates a direct relationship between the director and members of senior management, in each case of a nature that would impair the director's ability to make independent judgments about BCE's executive compensation.