Extract from the BCE 2014 Management Proxy Circular

DATED MARCH 6, 2014

THE BOARD OF DIRECTORS' LETTER TO SHAREHOLDERS –

APPROACH TO EXECUTIVE COMPENSATION

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HIGHLIGHTS

- *Introduction of more stringent share ownership requirements*
- *Introduction of clawbacks for all NEOs and EVPs in 2014*
- *Introduction of revised PSU payout range in 2014*

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 2013.

Our annual "Say on Pay" advisory vote once again received overwhelming support with over 93.76% of the votes cast in favour of our executive compensation program. We appreciate this support and believe it reflects 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 2013, the dividend was again increased by $0.11 to reach $2.33. With the announcement of another increase of $0.14 in 2014, this will bring the annual dividend payout to $2.47. The 2014 dividend increase represents BCE's tenth increase to its annual common share dividend, a 69% increase, in the past five years.

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 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 individuals 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 must be done within an acceptable level of risk and we ensure our compensation policies and practices do not encourage undue risk-taking on the part of our executives. We are committed to ensuring there is a strong and direct link between our financial results, shareholder value creation and the resulting executive compensation. In 2013 approximately 80% of our NEOs' target total direct compensation is tied to Bell's performance.

OUR COMPENSATION DECISIONS FOR 2013

BASE SALARY

Our policy for base salaries to be set at the 50th percentile of our comparator group remained unchanged in 2013. Salaries are reviewed from time to time and adjusted to reflect increases in responsibilities and market trends. Details about any changes to base salaries 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 2012 level 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 a range of critical financial and operating metrics. The financial metrics used again in 2013 – EBITDA, Revenue and Free Cash Flow are key indicators widely used to measure financial performance in the communications industry across North America. The operating metrics were based on the 6 Strategic Imperatives that guide the renewal 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 measures aligned with our strategy provides the team with a clear and motivating compensation structure.

In 2013, the Corporation exceeded its EBITDA and Free Cash Flow targets while making significant progress on the Strategic Imperatives. The continued momentum of the Fibe TV service, the strength of the wireless and media businesses, the integration of Astral, the leading wireline EBITDA margin among North American telecom companies and progress on customer service led to a strong year. Consequently, we were very pleased to approve a corporate performance index of 111% 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%.

LONG-TERM INCENTIVE PLAN

Our long-term incentive plan remained the same as last year's. It is comprised of 50% RSUs, 25% PSUs and 25% option grants.

To achieve 100% vesting of the PSUs granted in 2013 by the end of 2015, Free Cash Flow growth must be sufficient to provide the Board with the ability to increase the dividend by a target compound annual growth rate over the three-year performance period. The dividend payout ratio is based on Free Cash Flow. Consequently, to achieve full vesting on PSUs, the dividend growth rate must remain within the dividend payout ratio (between 65% and 75%) of Free Cash Flow. Prorated payment is made if the target is only partially attained.

MOVING FORWARD IN 2014

We continuously monitor compensation levels and trends in executive compensation and, we are confident that our current compensation structure is competitive and fully meets the objectives of our compensation philosophy. As such, we do not expect any significant changes to our programs in 2014 for our NEOs. However, we have made several adjustments for 2014.

NEO AND EVP CLAWBACKS

In February 2014, the Board approved the implementation of a clawback policy for all EVPs that mirrors the policy introduced for the CEO in 2011. The policy will apply to any incentive compensation (annual short term incentive, RSU, PSU and stock options) in the event of a material restatement of BCE's financial statements caused or partially caused by gross negligence, intentional misconduct or fraud on the part of the executive.

SHARE OWNERSHIP REQUIREMENTS

To encourage ongoing investment in the Corporation and ensure continuous alignment of our executive officers' compensation with our objective of creating value for our shareholders, we introduced an additional level of share ownership requirements in November 2013 for the President and CEO and EVPs. This new milestone must be reached within 10 years of the individual's promotion or hire date, in addition to the existing milestone at five years.

	MULTIPLE OF BASE SALARY	
POSITION	5 YEARS	NEW MILESTONE 10 YEARS
President and CEO	7.5x	10x
EVPs	3.0x	5x

PSU PAYOUT RANGE

To balance the risk in the PSU payout with an incentive to outperform, and align with market practices, the Board approved an increase of the maximum PSU payout level from 100% to 125%. This new maximum will take effect for the 2014 PSU grants and the performance vesting range will be 0% to 125%.

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 during the Annual General Shareholder Meeting, to be held on May 6, 2014, to answer any questions you may have about executive compensation.

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.

Thomas C. O'Neill
Chair of the Board

Ronald A. Brenneman
Chair of the Compensation Committee

March 6, 2014