Compensation Discussion & Analysis

BCE

Extract from the BCE 2012 Management Proxy Circular
Dated March 8, 2012

This CD&A describes our compensation philosophy, policies and programs and discusses the compensation provided in 2011 to our President and Chief Executive Officer (CEO), our Executive Vice-President and Chief Financial Officer (CFO) and our three other most highly compensated executive officers. These executive officers are referred to in this document as the "named executive officers" and are as follows:

- George A. Cope, President and CEO of BCE and Bell Canada
- Siim A. Vanaselja, Executive Vice-President and CFO of BCE and Bell Canada
- Kevin W. Crull, President of Bell Media
- Wade Oosterman, President — Bell Mobility and Bell Residential Services & Chief Brand Officer of Bell Canada
- David D. Wells, Executive Vice-President — Corporate Services of BCE and Bell Canada

COMPENSATION OVERALL OBJECTIVE

Our executive compensation is based on a pay-for-performance philosophy. Its overall goal is to increase shareholder value by:

- attracting, motivating and retaining the executive officers needed to drive the business strategy; and
- rewarding them for financial and operating performance and leadership excellence.

COMPENSATION POLICY AND COMPONENTS

To achieve our objective, we use three key elements of compensation with an aggregate target value positioned at the 60th percentile of what is paid in the competitive market for similar positions. Consideration is also given to pay levels among our most direct competitor businesses within our comparator group and their relative size, scope and complexity, which also have a bearing on the target compensation.

	PRIMARY OBJECTIVE	WHAT DOES THE COMPENSATION ELEMENT REWARD?	HOW IS THE AMOUNT OR TARGET DETERMINED?	HOW DOES THE COMPENSATION ELEMENT FIT INTO THE OVERALL OBJECTIVE?	FORM OF PAYMENT
ANNUAL BASE SALARY	Provides a market competitive fixed rate of pay	Rewards the scope and responsibilities of the position and the specific skills needed to fulfill them	Is set at the 50th percentile of what is paid in the competitive market for similar positions Since 2006, there has been no across the board salary increase	Provides for a vehicle to attract and retain skilled executives who can deliver on our overall goal while keeping the emphasis on rewarding actual performance	Cash
ANNUAL SHORT-TERM INCENTIVE	Encourages performance against our annual corporate and individual objectives	Rewards the achievement of our annual objectives	Is set at the 75th percentile of what is paid in the competitive market for similar positions	Provides for a vehicle to reward actual performance against objectives that are designed to support our overall goal	Choice of cash and/or Deferred Share Units (DSUs) • Payment in DSUs further aligns the interests of executives and shareholders as DSUs are only payable upon cessation of employment
EQUITY-BASED LONG-TERM INCENTIVE PLAN (LTIP)	Aligns interests of executives and shareholders	Rewards the creation of shareholder value	Brings total direct compensation (1) to the 60th percentile of what is paid in the competitive market for similar positions	Provides for a vehicle to attract and retain skilled executives while rewarding the achievement of our overall goal of creating sustained shareholder value	Restricted Share Units (RSUs) (50%) • Aligns executives' interest to share price growth Performance Share Units (PSUs) (25%) • Aligns executives' interests to dividend growth and their compensation to the Corporation's performance Stock Options (25%) • Aligns executives' interest with share price growth and their compensation to the Corporation's performance

(1) Total direct compensation is comprised of base salary, short-term incentive and long-term incentives.

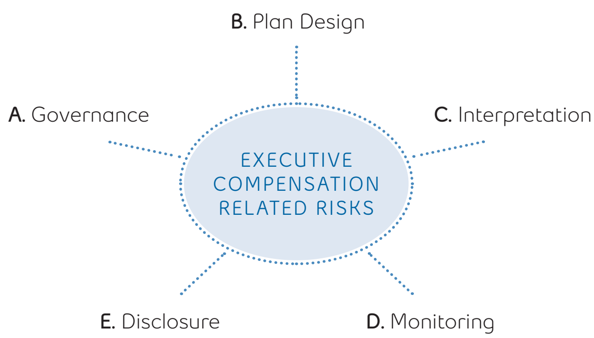
We also offer competitive pension, benefits and perquisites to promote the hiring and retention of qualified executives. These are discussed under *Pension, benefits and perquisites*.

IDENTIFICATION AND MITIGATION OF RISKS ASSOCIATED WITH OUR COMPENSATION POLICIES AND PRACTICES

As part of a company-wide risk evaluation initiative, our Risk Advisory Services and Human Resources groups conducted a comprehensive evaluation of risks associated with our compensation practices to ensure that such practices do not encourage executives to take undue risk on behalf of the corporation for personal financial gain.

A balanced compensation plan should encourage executives to assume risk commensurate with delivery against strategic objectives and shareholders appetite for risk. The plan should align the interests of management with those of shareholders and motivate achievement of an acceptable level of return. Balanced performance is supported by transparency around risk-taking behaviour and a clear governance and oversight framework. Risk arises in relation to the compensation plan when factors exist within the design and operation of the compensation framework which prevent achievement of these goals.

As part of the risk assessment process, a five pillar framework was developed and relevant potential risks were identified for each of the pillars.



The risk factors identified across the five pillars form the focus of the risk assessment associated with compensation policies and practices. Each risk factor is considered in the context of specific plan design characteristics and relevant risk mitigation practices in order to reach a conclusion on the residual risk exposure. The risk assessment process did not identify any risks associated with our compensation policies and practices that are reasonably likely to have a material adverse effect on the company. Relevant risk mitigation practices considered as part of the assessment are described below.

MRCC independence and use of external consultants

By being composed entirely of independent members, the MRCC avoids conflicts of interests with respect to the compensation awarded to executives. The MRCC is also supported by advice from their own compensation consultants, independent from the consultants used by management.

Structure of variable compensation plans

The basic structure of our compensation plans helps reduce the likelihood that executives will take undue risk to enhance their remuneration. The annual short-term incentive plan is structured so that the maximum payout possible is capped at two times the target award. The combination of performance metrics used (both financial and operational targets) also ensures that no single element is maximized at the expense of the health of the overall business. For example, financial performance could not be driven at the expense of customer service without impacting the service metric. Furthermore, executive vice-presidents share the same financial targets associated with their short-term incentive plan and these are based on total company results, thereby incenting all members of the senior team to enhance overall company performance.

The considerable proportion of compensation allocated to long-term incentives ensures that executives focus on sustainable value creation. An executive is not motivated to take undue short-term risks because the short term reward would not offset the negative impacts on share ownership and the equity components of compensation. In addition, stock options, the component of compensation with the greatest leverage to share price fluctuation, only represent approximately 12.5% of the total direct compensation awarded to executive officers, thereby providing alignment of management objectives with share holders while mitigating the likelihood of undue risk taking associated with this component.

It is also to be noted that the shift in 2011 to annual LTIP grants enables the MRCC to continually review targets and grant levels to ensure incentives remain properly aligned. As part of the process to set annual targets, the MRCC "back-tests" the results achieved on previous targets to make sure that payout is commensurate with the level of performance achieved.

Finally, for total direct compensation, stress tests are performed on various payout scenarios to ensure the MRCC is comfortable with the range of potential payouts.

Internal controls and testing

To provide the MRCC and the Board with the assurance that the approved compensation policies are applied as intended, the Corporation has set up a comprehensive set of internal controls that are performed as frequently as biweekly by members of the Human Resources, Finance and Legal groups. Any deviation from the set policies is then identified and presented to senior management for corrective action to be taken.

Clawback provisions

When Mr. Cope was appointed to the position of President and CEO in July 2008, a clawback clause was included in his employment agreement. It provides for the company, at its discretion, to claw back a portion of cash and equity compensation awarded to him, as well as obtain reimbursement for a portion of the gains realized on the exercise of options granted to him after his appointment. This may occur if there is a financial restatement due to gross negligence, intentional misconduct or fraud during the 24 months preceding the restatement, and it is determined that the cash or equity awards paid would have been lower had the restatement occurred prior to the payment of such awards.

In addition, our stock option plan includes clawback provisions in case employees, including executive officers, engage in prohibited behaviours, as described in greater detail under *Equity-based long-term incentive plan*.

Share ownership

We believe in the importance of substantial share ownership to align executives' interests with those of shareholders. A minimum share ownership level has been set for each executive position as a percentage of annual base salary. Share ownership requirements are discussed under *Share ownership requirements*.

Deferred share units (DSUs)

The deferred share unit plan is designed to align the interests of the executive officers with those of the shareholders by providing a mechanism for executives to receive incentive compensation earned in the form of equity.

Executives can defer up to 100% of the payout of their vested performance share units and restricted share units by rolling those units into the DSU plan. In addition, the annual short-term incentive award can also be converted into DSUs at time of payout. The DSU plan is explained in greater detail under *Deferred share unit plan*.

Trading and hedging restrictions

To help minimize the risk of an unintentional violation of insider trading prohibitions, we recommend that our executives trade BCE securities (including exercising stock options) only during company-set permissible trading window periods, provided they are not otherwise aware of undisclosed material information following the release of financial results.

Following this year's compensation risk assessment exercise, the MRCC also adopted a formal policy prohibiting all executives from hedging the economic exposure of their BCE share ownership and equity-based compensation. This ensures that the alignment between executive and shareholder incentives created by our share ownership and equity-based LTIP programs are fully maintained.

SETTING EXECUTIVE COMPENSATION

The roles of management and the MRCC in setting and administering executive compensation are described below.

MANAGEMENT	MRCC
• Proposes the elements of a compensation program that supports a performance culture • Implements the processes required to administer the program • Manages the process used to establish performance objectives and to measure individual and corporate performance against set objectives • Provides the MRCC with an assessment of the Business Unit results achieved by each of the Business Unit officers as well as an assessment of the leadership attributes demonstrated in fulfilling their roles and responsibilities • Recommends to the MRCC the base salary as well as the short-term, and long-term incentive awards for the officers of the corporation • Proposes the succession plan for the officers of the Corporation	• Oversees and recommends for approval by the Board the company's executive compensation philosophy, policies and programs • Reviews with the CEO any proposed major changes in organization or personnel including the succession plan • Reviews any proposed major changes in the company's benefit plans and recommends for approval any change requiring Board approval • Reviews annually with the members of the Board the performance of the CEO and other executive officers • Recommends annually to the members of the Board all forms of compensation for the CEO and other officers • Reviews the company's executive compensation disclosure for inclusion in the company's public disclosure documents • Seeks advice from independent compensation consultants on emerging trends in executive compensation and, when considered advisable by the Committee, other professional advice to enable the Committee to function independently of management

In addition to the above, the MRCC is responsible on an on-going basis for the oversight of our compensation policies and practices to ensure they do not encourage undue risk taking on behalf of the company for personal financial gain.

Succession Planning

A critical responsibility of the MRCC is to ensure that a comprehensive succession plan is in place for the company's most senior executive leaders. To achieve this, the Committee meets annually with the CEO to review and update the succession plan for all executive officers, including the CEO position.

The plan identifies potential successors for each executive and highlights any personal development experiences required for each candidate to be fully prepared to take on the position. In addition, if appropriate, the plan identifies any candidates who could assume critical leadership roles in the short term should unexpected events leave such roles vacant earlier than expected.

The executive succession plan is fully integrated with the company's overall succession planning process, which covers all key management positions and ensures a strong pipeline of talent is being developed at all levels in the organization. In addition to the regular annual review, key executive talent and succession plans are discussed by the MRCC throughout the year; for example, as part of the performance reviews used to determine executive compensation.

Benchmarking

To ensure the competitiveness of the compensation offered to our executives the MRCC regularly reviews the compensation offered for similar executive positions at other companies with whom we compete for talent (our comparator group).

In 2010 the company's management retained the services of Towers Watson to select an appropriate comparator group and perform a compensation market review for key executive positions. While consideration was given to companies in BCE's prior comparator group, the revised comparator group was designed to avoid overweighting industries (e.g., no more than three companies from the same industry) in order to be more representative of the Canadian marketplace.

The composition of the revised group was reviewed by the MRCC's independent advisor on executive compensation, Hugessen Consulting, for adequacy in light of the company's compensation philosophy and objectives.

In its deliberations, the MRCC considered Towers Watson's rationale for the selection of the group of companies and comments from Hugessen Consulting to confirm their agreement with the proposed comparator group. Given that the revised comparator group was approved late in the year and that there were no major changes to the group in 2011, the MRCC confirmed that the same companies represented an appropriate benchmark for 2011.

The comparator group of 21 companies, the rationale for its use and comparative financial information are outlined in the two tables below.

DESCRIPTION	RATIONALE FOR USE	LIST OF COMPANIES
Represents a select sample of the largest Canadian companies based on revenues and market capitalization and reflects an approximately equal representation of industries	Ensures the competitiveness of our executive compensation by comparing it to that offered at companies that are similar to us in terms of size, revenues and market capitalization and that compete with us for key talent. The equal representation of industries ensures that our comparator group is representative of the marketplace where we compete for talent	Agrium Inc., Air Canada, Alimentation Couche-Tard Inc., Barrick Gold Corporation, Bombardier Inc., Canadian National Railway Company, EnCana Corporation, Kinross Gold Corporation, Magna International Inc., Manulife Financial Corporation, Metro Inc., Potash Corporation of Saskatchewan Inc., Research In Motion Limited, Rogers Communications Inc., Royal Bank of Canada, Shoppers Drug Mart Corporation, Suncor Energy Inc., Teck Resources Limited, TELUS Corporation, The Toronto-Dominion Bank, TransCanada Corporation

Comparative financial information

	BCE INC.	COMPARATOR GROUP	
INDUSTRY	Telecommunications	Financial services, manufacturing, retail, oil & gas, telecommunications, transportation and mining/chemicals	
		MEDIAN	75th PERCENTILE
Total revenue ($M)	$19,497	$11,563	$19,641
Market capitalization ($M)	$31,272	$15,070	$34,843
Net income ($M)	$ 2,574	$ 1,461	$ 3,003
Dividend yield	5.33%	2.4%	3.8%
Employees	55,000	23,750	54,500

The comparative financial information was obtained from public continuous disclosure filings for the most recently available fiscal year.

The comparator group information is just one of the factors the MRCC takes into consideration when making recommendations to the Board with regards to target executive compensation. The MRCC also considers the relative pay levels among its most direct industry competitors within the comparator group, the relative size, scope and complexity of comparator businesses, as well as BCE's relative performance against these comparators.

SERVICES RENDERED BY INDEPENDENT COMPENSATION CONSULTANTS

2010

Following the collapse of the privatization transaction in December of 2008, the MRCC put in place a strong retention incentive in the form of a restricted share unit plan with time-based vesting to occur in December of 2010 conditional upon the recipient being in the employ of Bell Canada at that time. With these times behind us, the MRCC recognized the need to transition from a very unique equity program to one that would continue to align the interests of the executives with the interests of our shareholders and be commensurate with programs offered by those companies that compete for similar talent. To that end, the MRCC worked closely with Hugessen Consulting, the MRCC's independent compensation consultant since 2009, to craft the new equity program with an appropriate mix of time-based and performance-based elements, in light of compensation trends and market practices.

The company's management retained in 2010 the services of Towers Watson to benchmark the compensation paid to our executives to the market. As part of this exercise, the composition of our comparator group was reviewed and modified to ensure its continued relevance. Towers Watson compiled and analyzed compensation data from the company's new comparator group, as described under *Benchmarking*.

Hugessen Consulting reviewed the composition of the new 2010 comparator group for adequacy in light of the company's compensation philosophy and objectives.

2011

Early in 2011, the MRCC, advised by Hugessen Consulting, finalized the key terms related to the 2011 grants under our long-term incentive plan, including treatment in case of involuntary termination, change in control and resignation. Hugessen Consulting and Towers Watson also provided an opinion on the methodology for valuation of stock options for the February 2011 grants and the MRCC established a stock option value based on a binomial model.

In advance of establishing the compensation for 2012, management and Towers Watson reviewed the positioning of the executive vice-presidents' remuneration versus those in our comparator group. The MRCC asked Hugessen Consulting to review the work performed by management and Towers Watson with respect to compensation levels and benchmarking.

Independence of the compensation consultants

None of our directors or executive officers has any affiliation or relationship with Hugessen Consulting and all services provided were reviewed and approved by the MRCC. Hugessen Consulting does not provide any services to management directly without the prior consent of the MRCC. No such services were provided by Hugessen Consulting in 2010 or 2011. We therefore consider Hugessen Consulting to be independent of our company.

The executive compensation recommendations the MRCC makes to the Board are the responsibility of the Committee and may reflect factors and considerations other than the information and recommendations provided by the Committee's consultant.

Executive compensation – related fees

The table below summarizes the aggregate fees paid to the compensation advisors for services they provided for years 2010 and 2011. Hugessen Consulting and Towers Watson have both confirmed that the fees received from BCE in 2010 and 2011, relative to the aggregate fees received from all of their clients in 2010 and 2011, are not of such magnitude as to compromise their independence from BCE or its executives.

	HUGESSEN CONSULTING		TOWERS WATSON	
	2010	2011	2010	2011
MRCC mandates	$360,277 100%	$64,690 100%	$ — 0%	— 0%
Management mandates	— 0%	— 0%	$54,828 100%	$131,852 100%
Total annual fees	$360,277	$64,690	$54,828	$131,852

2011 COMPENSATION ELEMENTS

Base salaries

The MRCC recommends for Board approval the base salary of each executive officer within a salary range that reflects the scope and responsibilities of the position, the executive officer's experience, the positioning of his base salary versus the comparator group and internal equity. The mid-point of the salary range corresponds to the median of the salary paid by our comparator group for similar positions. The minimum for the salary range is 20% below the mid-point and the maximum is 20% above.

For six years, since 2006, no annual base salary increases have been granted across the board to our executives. In order to encourage a cultural shift towards greater individual accountability and higher levels of performance, base salaries offered to all of our executives have been adjusted only to reflect an increase in responsibilities or job scope, with adjustments made to variable compensation when required to maintain competitive market positioning of our total direct compensation.

Consequently, the 2011 base salaries of our named executive officers remained at their 2010 level and are disclosed in the table beside.

NAMED EXECUTIVE OFFICER	2011 BASE SALARY
George A. Cope	$1,250,000
Siim A. Vanaselja	$ 575,000
Kevin W. Crull	$ 700,000
Wade Oosterman	$ 700,000
David D. Wells	$ 525,000

Annual short-term incentive awards

The annual short-term incentive applicable to the CEO and all executive officers has two components. The corporate performance component is based on quantitative financial targets and qualitative objectives aligned with our 5 Strategic Imperatives. There is also an individual component that allows the MRCC to assess and reward leadership behaviours demonstrated by the executive in the achievement of business unit and overall corporate results.

The MRCC reviews short-term incentive targets for our executive officers each year as well as upon hire, promotion or when there are significant changes in the responsibilities of an executive officer. When making a recommendation to set or increase the incentive target of an executive officer, the MRCC takes into consideration the scope of the executive officer's responsibilities, the executive officer's base salary, internal equity and the positioning of his short-term incentive target compared to market.

In 2011, short-term incentive targets remained at their 2010 level of 125% of base salary for our President and CEO and 100% of base salary for our other named executive officers.

Short-term incentive awards are calculated as follows:

BASE SALARY × SHORT-TERM INCENTIVE TARGET × { CORPORATE PERFORMANCE INDEX (may vary between 0% and 150%) 70% WEIGHT + INDIVIDUAL PERFORMANCE INDEX (may vary between 0% and 300%) 30% WEIGHT }

In order to reinforce our *One Company / One Team* concept, 70% of the executive officers' annual short-term incentive award is based on corporate objectives. In order to recognize and reward personal accomplishments, 30% of the executive officers' annual short-term incentive award is based on individual performance.

Following the end of each year, the MRCC and the Board evaluate the performance of the company against the corporate objectives established for the year to determine the corporate performance index. This can vary between 0% and 150% with a target performance of 100%. The MRCC has discretion to recommend to the Board a different payout level from that suggested by the quantitative results to take into account unforeseen occurrences and non-recurring events and also to ensure that the payout is appropriate in the MRCC's judgment.

At the conclusion of the year, the MRCC and the independent directors of the Board assess the individual performance and the demonstration of leadership skills of the CEO. In addition, the CEO provides the MRCC with his assessment of the leadership behaviours demonstrated by the other executive officers. Taking into account all information provided, including the recommendations of the CEO, the MRCC exercises its discretion and recommends for Board approval the individual performance index for each of the executive officers. The index may vary between 0% and 300% with a target performance of 100%.

The maximum payout that can be achieved on the combined corporate and individual performance under the short-term incentive formula is two times the target award.

2011 SHORT-TERM INCENTIVE

Corporate performance objectives

PERFORMANCE MEASURE = CORPORATE PERFORMANCE (70% WEIGHTING) Financial objectives + Strategic imperatives + INDIVIDUAL PERFORMANCE (30% WEIGHTING)

At the beginning of the year, the MRCC recommends for approval by the Board the company's financial and operating objectives used to determine the corporate performance objectives that will account for 70% of the weighting of the short-term incentive award for that year.

The following illustration indicates the corporate performance objectives employed for setting short-term incentive awards for 2011, and the rationale for their use.

WHY USE EBITDA [1] ?

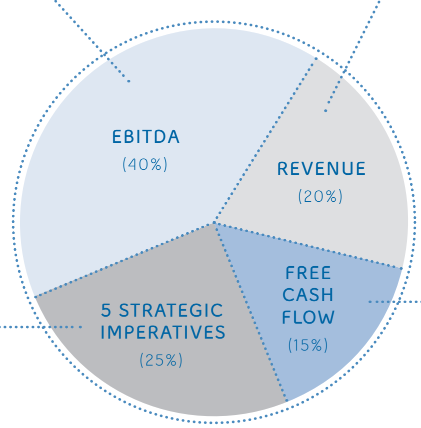
EBITDA is an industry-wide measure of in-year operational profitability and is a common measure for valuation of companies in the industry

As such, EBITDA measures our executives operational efficiency and their success in ensuring the value from Revenues flows to the enterprise value of the company

WHY USE REVENUE?

Revenue is a simple measure of the total value of the products and services sold by the company

As such, Revenue provides a relevant measure of our executive's ability to design and sell attractive products and services, to compete in the market and to attract customers



WHY USE THE 5 STRATEGIC IMPERATIVES?

The 5 Strategic Imperatives have been put in place to achieve our goal of being recognized by customers as Canada's leading telecommunications company. Their assessment includes many operating metrics typically used in the industry

As such, progress made against the 5 Strategic Imperatives provides a relevant measure of our executives' success in executing on the operating plan required to achieve our goal

WHY USE FREE CASH FLOW [2] ?

Free Cash Flow measures the cash generated by the business after paying short term operating costs, making long term investments and meeting financing costs. It is commonly used as a valuation measure for companies in the industry

As such, Free Cash Flow is a measure of our executives' success in running the business as a whole and in generating cash that may be returned to shareholders or further invested in the business

(1) The term EBITDA does not have any standardized meaning under International Financial Reporting Standards (IFRS). Therefore, it is unlikely to be comparable to similar measures presented by other companies. We define EBITDA as operating revenues less operating costs, as shown in BCE's consolidated income statements. We use EBITDA to evaluate the performance of our businesses as it reflects their ongoing profitability. We believe that certain investors and analysts use EBITDA to measure a company's ability to service debt and to meet other payment obligations or as a common measurement to value companies in the telecommunications industry. EBITDA also is one component in the determination of short-term incentive compensation for all management employees. EBITDA has no directly comparable IFRS financial measure.

(2) The term free cash flow does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other companies. We define free cash flow as cash flows from operating activities, excluding acquisition costs paid, and dividends/distributions received from Bell Aliant less capital expenditures, preferred share dividends, dividends/distributions paid by subsidiaries to non-controlling interest, and Bell Aliant free cash flow. We consider free cash flow to be an important indicator of the financial strength and performance of our business because it shows how much cash is available to repay debt and reinvest in our company. We present free cash flow consistently from period to period, which allows us to compare our financial performance on a consistent basis. We believe that certain investors and analysts use free cash flow to value a business and its underlying assets. The most comparable IFRS financial measure is cash from operating activities. Please refer to our MD&A for a reconciliation to our cash from operating activities, the most comparable IRFS financial measure.

Financial Objectives

PERFORMANCE MEASURE	=	CORPORATE PERFORMANCE (70% WEIGHTING) Financial objectives + Strategic imperatives	+	INDIVIDUAL PERFORMANCE (30% WEIGHTING)

The financial objectives account for 75% of the weighting of the overall corporate objectives (EBITDA 40%, Revenue 20% and Free Cash Flow 15%). The MRCC sets a threshold, a low, a target and a maximum value for each financial objective. The payout varies between 0% and 150% depending on the performance, as illustrated in the table below.

Target values are set within the financial guidance ranges provided to the investment community which ensures that payouts are well aligned to the performance expectations of our shareholders. A payout exceeding the target award requires exceptional performance versus market expectations on these measures and versus other companies in the sector.

OVERALL PERFORMANCE	THRESHOLD	LOW	TARGET	STRETCH
Payout*	0%	50%	100%	150%

** The overall performance takes into account the results and relative weight of each financial objective. Results achieved between these values are interpolated.*

Strategic Imperatives

PERFORMANCE MEASURE	=	CORPORATE PERFORMANCE (70% WEIGHTING) Financial objectives + Strategic imperatives	+	INDIVIDUAL PERFORMANCE (30% WEIGHTING)

The remaining 25% weighting of the overall corporate objectives is used to recognize the achievements related to the company's 5 Strategic Imperatives:

- Improve customer service
- Leverage wireline momentum
- Achieve a competitive cost structure
- Accelerate wireless
- Invest in broadband

Progress on the 5 Strategic Imperatives is evaluated by measuring performance against a set of operating metrics, many of which are commonly used across the industry. Each strategic imperative carries a weight of 5% (for a total of 25%). The following point ranking scale applies:

POINTS	0	1	2	3	4	5	6
Results	Failed	Significantly Below	Below	Slightly Below	Met	Exceeded	Stretched

The cumulative total of points earned for the 5 Strategic Imperatives determines the payout according to the following table:

SUM OF POINTS	THRESHOLD 0 POINTS (5 x 0 POINTS)	TARGET 25 POINTS (5 x 5 POINTS)	STRETCH 30 POINTS (5 x 6 POINTS)
Payout*	0%	100%	120%

** The results achieved between these values are interpolated.*

The Board and the MRCC believe that these operating objectives were set for 2011 at an ambitious level but could be achieved under normal economic and market conditions. Payout at target may only be achieved by exceeding these ambitious operating objectives and hence exceeding the targets for all 5 Strategic Imperatives would have required exceptional performance.

2011 corporate performance index

The following table outlines the corporate results achieved for 2011

COMPONENT	WEIGHTING	CALCULATED PAYOUT	2011 TARGET	2011 RESULTS	COMMENTS
EBITDA	40%	Payout: 44.9% Min: 0% Max: 60%	$6,335 million	$6,356 million [1]	Bell reported EBITDA growth of 8.6% for 2011 which was within our range of financial guidance and exceeded our internal target for the year. Results were due to disciplined cost controls and strong performance at Bell Media.
Revenue	20%	Payout: 13.4% Min: 0% Max: 30%	$17,236 million	$17,133 million	Bell reported revenue growth of 9.3% for 2011 which was at the low end of our financial guidance range and fell slightly below our internal targets, largely due to the high competitive intensity in the market. Our revenues reflected growth of 6.6% from Wireless, a strong contribution from Bell Media and the Wireline segment showing a decline of 3% year over year.
Free Cash Flow	15%	Payout: 16.0% Min: 0% Max: 22.5%	$2,250 million	$2,261 million	Bell reported Free Cash Flow at the mid-point of our financial guidance range and exceeded our internal target largely due to solid EBITDA performance and strong working capital management, while continuing to invest in the business and delivering dividend growth to shareholders.
Strategic Imperatives Progress	25%	Payout: 20.5% Min: 0% Max: 30%	various	partially met	The Board sets a variety of operating targets for each of the strategic imperatives. Considerable progress was made on each imperative in 2011. [2]
Total	100%	95%			

(1) Reflects a Purchase Price Adjustment related to Bell Media Acquisition.

(2) Targets set by the Board to evaluate achievement of our 5 Strategic Imperatives are not disclosed as this could serious prejudice the company's interest given that this information is competitively sensitive.

The financial results for 2011, along with the progress made against the 5 Strategic Imperatives, were reviewed by the MRCC against the set of financial and operating objectives used for setting short-term incentive awards. Based upon their assessment, the MRCC recommended, and the Board approved, a 2011 corporate payout index of 95%.

Individual performance objectives

PERFORMANCE MEASURE = CORPORATE PERFORMANCE (70% WEIGHTING) Financial objectives + Strategic imperatives + INDIVIDUAL PERFORMANCE (30% WEIGHTING)

The individual performance component is based upon an assessment of the performance of an executive on two dimensions.

One dimension is the achievement of results measured against the pre-determined business unit objectives. At the beginning of the year, the MRCC reviews the CEO's individual performance goals for that year and recommends them to the Board for approval. Our CEO's goals, as well as those of our other executive officers, are designed to support the execution of the 5 Strategic Imperatives and thereby create value for shareholders.

The other dimension is the demonstration of the leadership attributes required to achieve those results. They include people leadership attributes which serve to build and leverage talent and drive team effectiveness, along with strategic leadership attributes which serve to transform the business and execute the strategy.

At the conclusion of the year, the MRCC and the independent directors of the Board assess the CEO's performance on both the achievement of results against the pre-determined objectives as well as the demonstration of leadership in the attainment of those results. Likewise, the CEO provides the MRCC with his assessment of the performance of the other executive officers.

Taking into account all information provided, including the recommendations of the CEO, the MRCC makes an informed judgment and recommends for Board approval the individual performance index (between 0% and 300%, with a target performance of 100%) for each of the executive officers.

In 2011, individual performance indexes for the named executive officers ranged from 220% to 300%, with an average index of 249%. Consequently, combined with the corporate performance factor that was achieved at 95%, the 2011 short-term incentive awards for our named executive officers ranged from $695,625 to $2,445,313, with an average payout of $1,176,613.

Deferred share unit plan

The deferred share unit plan is designed to further align the interests of the executive officers to those of the shareholders by providing a mechanism to receive incentive compensation earned in the form of equity. Executive officers and other key employees of the company and those of certain subsidiaries may elect to participate in the deferred share unit plan.

Executive officers can choose to have up to 100% of their annual short-term incentive award paid in deferred share units instead of cash. The award is converted into deferred share units based on the market value of a BCE common share on the day before the award becomes effective. Vested performance share units and restricted share units may also be rolled into deferred share units at time of payout. Deferred share units count towards the minimum share ownership requirements, which are described under *Share ownership requirements*.

Deferred share units have the same value as BCE common shares. The number and terms of outstanding deferred share units are not taken into account when determining if and how many deferred share units will be awarded under the plan. No vesting conditions are attached to deferred share units and they therefore vest at time of grant.

Dividend equivalents in the form of additional deferred share units are equal in value to dividends paid on BCE common shares and credited to the participant's account on each dividend payment date based on the number of units in the account as of the dividend record date.

The MRCC may also recommend for Board approval special awards of deferred share units to recognize outstanding achievements or for reaching certain corporate objectives. There were no such awards made in 2011.

Holders of deferred share units may not settle their deferred share units while they are employed by a company within the BCE group of companies. Once they leave the BCE group, the company will buy, through a trustee, a number of BCE common shares on the open market equal to the number of deferred share units a participant holds in the plan, after withholding taxes and any other deductions. These shares are then delivered to the former employee or to the estate in case of death. All administration costs as well as brokerage fees associated with the purchase and registration of common shares are paid by the company.

EQUITY-BASED LONG-TERM INCENTIVE PLAN

As part of the 2010 compensation review, a new long-term incentive plan was designed which reintroduced a performance component to our equity-based plan. In addition, the MRCC moved away from a front-loaded multi-year grant to an annual grant which enables the company to review the objectives and grant levels associated with its long-term incentive plan annually rather than on a three-year basis. For the first time in 2011, grants under our long-term incentive plan were allocated between restricted share units, performance share units and stock options as follows:

RESTRICTED SHARE UNITS (RSUs) (50%)	PERFORMANCE SHARE UNITS (PSUs) (25%)	STOCK OPTIONS (25%)
100% vesting at the end of 3 years	Vesting at the end of 3 years contingent on earnings growth targets	100% vesting at the end of 3 years Option term: 7 years

Below are the key terms that apply to each part of the 2011 LTIP:

ELEMENT	RESTRICTED SHARE UNITS	PERFORMANCE SHARE UNITS	STOCK OPTIONS
Shareholder interest alignment	RSUs align executives' and shareholders' interests in share price growth. Time-vesting also supports the retention of executives to better enable the company to execute its long-term strategy.	PSUs align executives' and shareholders' interests in dividend growth and their compensation to the Corporation's performance. Multi-year vesting also supports the retention of executives to better enable the company to execute its long-term strategy.	Stock options align executives' and shareholders' interests in share price growth and their compensation to the Corporation's performance. Multi-year vesting also supports the retention of executives to better enable the company to execute its long-term strategy.
Term	3 years		7 years (10-year maximum under the plan text)
Vesting Type	3-year cliff vesting		
Vesting date	December 31, 2013		February 20, 2014 (3 years from the date of grant)
Vesting criteria	Being employed by BCE or Bell on the vesting date	Being employed by BCE or Bell on the vesting date To achieve 100% vesting of the PSUs at the end of 2013, earnings growth must be sufficient to provide the Board with the ability to increase the dividend by a target compound annual dividend growth rate over the three-year performance period while keeping the dividend payout ratio between 65% and 75% of the adjusted earnings per share available to common shareholders. Prorated payment is made if the target is only partially attained.	Being employed by BCE or Bell on the vesting date
Dividend equivalents	Credited as additional units, at the same rate as dividends declared on BCE common share		None
Methods of payment (1)	Cash, BCE common shares or Deferred Share Units		BCE common shares when options are exercised
Pricing at time of grant	Conversion from dollar value to units made using the volume weighted average of the trading price per common share for the last 5 consecutive trading days ending immediately on the last trading day prior to the effective date of the grant and rounded up to the nearest unit		Higher of the volume weighted average of the trading price per common share of a board lot of common shares traded on the Toronto Stock Exchange; 1) on the trading day immediately prior to the effective date of the grant, or if at least one board lot of common shares has not been traded on such day, then the volume weighted average of the trading price per common share of a board lot of common shares for the next preceding day for which at least one board lot was so traded; and 2) for the last 5 consecutive trading days ending immediately on the trading day prior to the effective date of the grant.

ELEMENT	RESTRICTED SHARE UNITS	PERFORMANCE SHARE UNITS	STOCK OPTIONS
Clawback	With the exception of Mr. Cope, for whom the clawback clause of his employment agreement is disclosed under Identification and mitigation of risks associated with our compensation policies and practices, no clawback clause is applicable on restricted share units and performance share units		Option holders will lose all of their unexercised options granted after 2001 if they engage in prohibited behaviours after they leave our company. This includes using our confidential information for the benefit of another employer. In addition, the option holder must reimburse the after-tax profit realized on exercising any options during the six-month period preceding the date on which the prohibited behaviour began.

(1) At any time, the MRCC may require that a participant receive an LTIP payment in BCE common shares or in deferred share units as an interim measure to help the participant reach his mandatory share ownership requirement.

The MRCC may also recommend special grants to recognize specific achievements or, in some cases, to retain or motivate executive officers and key employees. There were none made in 2011.

Information on change in control and termination provisions applicable to stock options can be found under *Compensation of our named executive officers — Termination and change in control benefits*.

The company uses the fair value method of accounting for equity-based compensation.

PENSION, BENEFITS AND PERQUISITES

Pension

No change was made to our pension plan in 2011 as it was well positioned relative to market.

With the exception of Mr. Vanaselja, all named executive officers participate in the Defined Contribution (DC) pension plan which has been the only pension plan available to employees hired since 2004. Mr. Vanaselja, who was hired prior to 2004, participates in Bell Canada's Defined Benefit (DB) pension plan.

Our named executive officers have also entered into supplementary retirement arrangements. The pension benefits provided to our named executive officers are described under *Compensation of our named executive officers — Pension arrangements.*

Benefits and Perquisites

We believe that offering competitive and flexible benefits is essential to attract and retain qualified employees. The Corporation provides the Omniflex benefit program which gives employees the flexibility to choose health, life and accident insurance most suited to their individual needs. The named executive officers are provided with additional benefits, mainly relating to incremental life and accident insurance.

We also offer to all of our employees the possibility to participate in our Employees' Savings Plan. The Employees' Savings Plan is focused to support long-term share ownership and to build greater interest in the growth and success of our company. Under the Employees' Savings Plan, when employees elect to contribute up to 6% of their eligible earnings to buy BCE common shares, the company contributes $1 for every $3 that the employee contributes. The shares purchased with the company contributions are vested to employees after two years. More information on the Employees' Savings Plan can be found under *Compensation of our named executive officers — Employees' Savings Plans (ESPs).*

The named executive officers receive a competitive cash allowance for perquisites.

SHARE OWNERSHIP REQUIREMENTS

We believe in the importance of substantial share ownership and our compensation programs are designed to encourage share ownership by executive officers. A minimum share ownership level has been set for each position as a percentage of annual base salary.

- President and CEO — 750%
- Executive Vice-Presidents — 300%
- Senior Vice-Presidents — 200%
- Vice-Presidents — 100%

Executives must meet their target within five years of their hire or promotion date, with the objective that 50% of their target will be reached within three years of such date (three-year target). Direct and indirect holdings of common shares of BCE and Bell Aliant, including shares or deferred share units received under the following programs, can be used to reach the minimum share ownership level:

- deferred share unit plan, described under *Deferred share unit plan*
- Employees' Savings Plan, described under *Benefits and Perquisites*
- shares acquired and held by exercising stock options granted under our stock option plans, described under *Equity-based long-term incentive plan*
- shares received upon payment of restricted share units and performance share units, described under *Equity-based long-term incentive plan*

In-the-money option grants and unvested equity grants do not count towards meeting the minimum share ownership level.

Share ownership status is calculated using the higher of acquisition cost and the current market value at time of review. The MRCC reviews at least annually the status of compliance with the share ownership requirements. Concrete measures may be taken if the three-year target or the five-year target is missed. These measures include, but are not limited to, the payment of a portion of the short-term annual incentive award in deferred share units, the payment of restricted share units or performance share units in shares or in deferred share units and, when stock options are exercised, the requirement to hold BCE common shares having a market value equal to a portion of the after-tax financial gain resulting from the exercise. These measures remain in effect until the target is reached. As shown in the table below, all of our named executive officers have achieved and surpassed their five-year targets.

Below is the share ownership status for our named executive officers as of March 8, 2012.

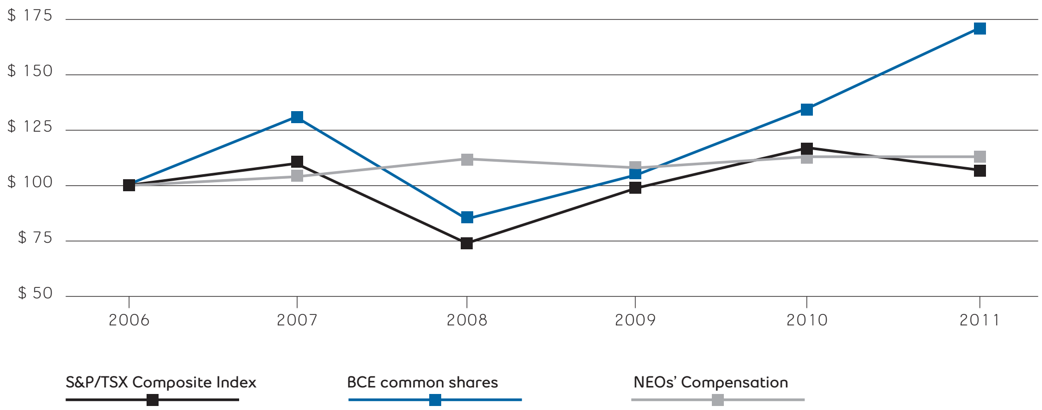
NAMED OFFICER	BASE SALARY ($)	OWNERSHIP REQUIREMENT	TOTAL BCE EQUITY OWNERSHIP VALUE (1) ($)	PERCENTAGE OF OWNERSHIP IN DSUs	PERCENTAGE OF 5-YEAR TARGET ACHIEVED
George A. Cope	1,250,000	750%	$37,400,747	83.2%	399%
Siim A. Vanaselja	575,000	300%	$ 9,039,092	98.1%	524%
Kevin W. Crull	700,000	300%	$ 3,416,733	85.1%	163%
Wade Oosterman	700,000	300%	$30,753,642	44.1%	1,464%
David D. Wells	525,000	300%	$ 2,926,638	94.2%	186%

(1) Estimated using a BCE share price of $41.37 and a Bell Aliant share price of $27.96 as of March 8, 2012.

SHAREHOLDER RETURN PERFORMANCE GRAPH

FIVE-YEAR CUMULATIVE TOTAL RETURN ON $100 INVESTMENT

DECEMBER 31, 2006 – DECEMBER 31, 2011



	2006	2007	2008	2009	2010	2011
BCE COMMON SHARES	100	131	85	105	135	171
S&P/TSX COMPOSITE INDEX	100	110	74	99	117	107
NEOS' COMPENSATION	100	104	112	108	113	113

The graph compares the cumulative annual total return of BCE Inc.'s common shares against the cumulative annual total return of the S&P/TSX Composite Index assuming an initial investment of $100 and that all subsequent dividends were reinvested. Also shown is the growth rate of the named executive officers' compensation (NEOs' compensation) over the same five-year period. Compensation is defined as total direct compensation awarded to named executive officers, including salary, short-term incentive awards, annualized value of restricted share unit, performance share unit and stock option awards at time of grant. The MRCC is satisfied that, while the compensation awarded to our named executive officers remained fairly constant, a large portion of total compensation is awarded in the form of equity and the actual payouts related to those awards are linked very closely to the evolution of the company's share price and dividend growth.

BCE INC.

BCE Inc.'s total return is based on BCE Inc.'s common share price on the Toronto Stock Exchange and assumes the reinvestment of dividends.

S&P/TSX COMPOSITE INDEX

With approximately 95% coverage of the Canadian equities market, the S&P/TSX Composite Index is the primary gauge for Canadian-based, Toronto Stock Exchange-listed companies. Such companies include amongst others: BCE Inc., Royal Bank of Canada, Toronto-Dominion Bank, Suncor Energy Inc., Canadian Natural Resources and Canadian National Railway Company.

CEO COMPENSATION

George A. Cope
President and Chief Executive Officer, BCE and Bell Canada

George Cope has been President and CEO of BCE and Bell Canada since July 11, 2008. He was previously President and Chief Operating Officer of Bell Canada.

Mr. Cope is a seasoned Canadian telecommunications executive who had served in public-company CEO roles in the industry for more than 15 years prior to joining Bell in 2005. He has earned a reputation as an innovative telecom strategist and builder of high-performance teams, successfully launching three next-generation digital networks during his career.

Mr. Cope holds an Honours B.Comm. degree from the University of Western Ontario. He serves on the Advisory Board of the Richard Ivey School of Business at the University of Western Ontario.

He is also a director of the Bank of Montreal and of Bell Aliant Inc.

2011 Key accomplishments and determination of short-term incentive award

The MRCC evaluated Mr. Cope's performance for 2011 based on demonstrated leadership behaviours and comprehensive objectives related to:
- The evolution of BCE's strategy
- The execution of BCE's strategy

The evolution of BCE's strategy was significantly advanced in 2011:
- Invested in world-leading wireless and wireline networks supporting Bell's broadband 4-screen strategy while maintaining capital intensity below targeted 16% of Bell operating revenues, on par with the major telecom companies in North America.
- Completed the acquisition of CTV and its successful integration into the newly launched Bell Media business unit, encompassing all CTV and other Bell content assets.
- Announced the acquisition of an ownership position in Maple Leaf Sports and Entertainment (MLSE) in a joint ownership arrangement with Rogers Communications.
- In recognition of the *Let's Talk* mental health initiative, Bell was named Most Outstanding Philanthropic Corporation by the global Association of Fundraising Professionals (AFP).

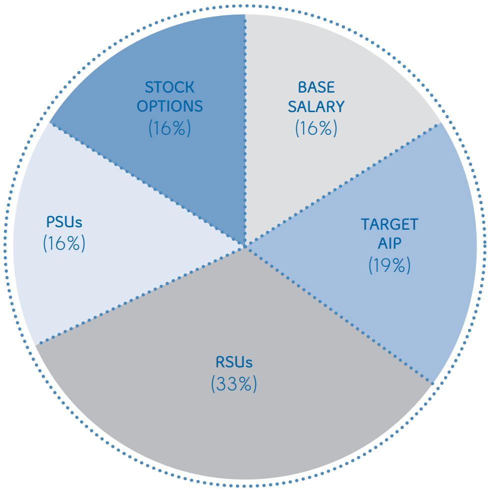
The strong execution of BCE's strategy continued in 2011:
- First wireless service provider in Canada to launch a 4G Long Term Evolution (LTE) network in the Greater Toronto Area and other major centres. At December 31, 2011, Bell had deployed its 4G LTE network in 7 urban areas across Canada, expanded to 7 more centres in February 2012.
- Continued to build strength in the wireless market, achieving industry leading share of postpaid net subscriber additions in 2011. Bell maintained more than one-third market share of postpaid gross and net activations among the three major wireless carriers.
- Increased smartphone customer base by 73% in 2011, driving wireless data revenue growth of 34% and blended ARPU growth of 2.9% by the end of the year. Smartphone users accounted for 48% of Bell's postpaid subscriber base, up from 31% the year before.
- Accelerated Bell Fibe TV service footprint expansion to approximately 2 million households in Toronto and Montreal.
- Increased in triple-play – Bell home phone, TV and Internet – households by 11%.
- Leveraged CTV acquisition to greatly expand Bell Mobile TV offerings with more live and on-demand content from Canada's leading specialty channels.
- Achieved Canadian industry-leading wireline EBITDA growth as a result of continued rigorous management of operating costs, with savings of approximately $290 million year over year.
- Reduced size of management workforce by approximately 1,200 employees, resulting in annualized cost savings of approximately $100 million.
- Invested more than $100 million in call centre tools, training and technology to improve customer service.
- Invested in Bell Business Markets data hosting and cloud computing solutions: New data hosting facilities in Markham and Vancouver and expansion of Saint-Laurent and Calgary hosting centres completed.

As a result of strong operational and financial performance, the Board was able to announce two dividend increases during the course of 2011, delivering 10.2% growth of the annualized dividend from $1.97 per share at December 2010 to $2.17 per share at December 2011. The most recent dividend increase announced on December 8, 2011 represents BCE's seventh increase to the annual common share dividend in the past three years, continuing its strong track record as a dividend growth company. With this latest increase, BCE's annual common share dividend has grown 49% since the fourth quarter of 2008.

In 2011, Mr. Cope's salary and annual short-term incentive target award remained unchanged from their 2010 level of $1,250,000 and 125% of base salary, respectively.

AWARDED COMPENSATION	2011 ($)	2010 ($)	2009 ($)
Base Salary	1,250,000	1,250,000	1,250,000
Annual Short-Term Incentive Award	2,445,313	2,456,250	2,156,250
Restricted Share Units (1)	2,650,000	3,750,000	3,750,000
Performance Share Units (1)	1,325,000	—	—
Stock Options (1)	1,325,000	1,250,000	1,250,000
Total Direct Compensation	**8,995,313**	**8,706,250**	**8,406,250**

(1) Restricted share units and stock options were awarded in 2008 to cover the years 2009 and 2010. For comparison purposes, the total value of the grant was divided over the course of the 3 years.



Fixed Compensation	15.4%
Variable Compensation	84.6%

Share Ownership and Value at Risk

The table below shows the total vested and unvested BCE equity owned by Mr. Cope as of the date of this Circular:

	OWNERSHIP AND VESTED VALUE				UNVESTED VALUE				TOTAL OWNERSHIP AND VALUE AT RISK:
HOLDINGS	SHARES (1)	DEFERRED SHARE UNITS	VESTED OPTIONS (2)	TOTAL VESTED	PERFORMANCE SHARE UNITS	RESTRICTED SHARE UNITS	UNVESTED OPTIONS (2)	TOTAL UNVESTED	
Number	154,472	751,778	250,000	**1,156,250**	39,164	78,328	323,171	**440,663**	**$46,654,032**
Value	$6,239,470	$31,101,056	$2,662,500	**$40,003,026**	$1,620,228	$3,240,412	$1,790,367	**$6,651,007**	

(1) BCE shares valued at $41.37. Includes 11,263 Bell Aliant shares valued at $27.96.

(2) Represents the estimated gain from the exercise of the underlying options.

COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

SUMMARY COMPENSATION TABLE

The table below summarizes the compensation of our named executive officers. The named executive officers are our President and CEO, our Executive Vice-President and CFO and our three most highly compensated executive officers ranked by their total compensation in the table below.

For more information regarding our compensation philosophy and policies and a discussion of the elements of our compensation programs, see *Compensation discussion & analysis*.

The material factors necessary for an understanding of the compensation detailed in the following table are described under *Compensation discussion & analysis* and the footnotes to the table.

NAME AND PRINCIPAL POSITION [1]	YEAR	SALARY ($)	SHARE-BASED AWARDS ($) [2] [3]	OPTION-BASED AWARDS ($) [4]	NON- EQUITY INCENTIVE PLAN COMPENSATION (ANNUAL INCENTIVE PLANS) ($) [5]	PENSION VALUE ($) [6]	ALL OTHER COMPENSATION ($) [7]	TOTAL COMPENSATION ($)
George A. Cope	2011	1,250,000	3,975,000	1,325,000	2,445,313	455,869	164,255	9,615,437
President and CEO,	2010	1,250,000	—	—	2,456,250	398,531	162,643	4,267,424
BCE and Bell Canada	2009	1,250,000	—	—	2,156,250	273,828	128,868	3,808,946
Siim A. Vanaselja	2011	575,000	937,500	312,500	813,625	392,612	22,818	3,054,055
Executive Vice-President	2010	575,000	—	—	731,400	360,915	21,451	1,688,766
and CFO,	2009	575,000	—	—	621,000	1,068,100	20,084	2,284,184
BCE and Bell Canada								
Kevin W. Crull	2011	700,000	1,125,000	375,000	990,500	162,221	103,221	3,455,942
President –	2010	700,000	—	—	890,400	149,856	117,508	1,857,764
Bell Media	2009	700,000	—	—	861,000	73,483	145,315	1,779,798
Wade Oosterman	2011	700,000	1,125,000	375,000	938,000	194,443	22,998	3,355,441
President – Bell	2010	700,000	—	—	1,100,400	81,060	22,297	1,903,757
Mobility and Bell	2009	700,000	—	—	651,000	76,038	20,023	1,447,061
Residential Services &								
Chief Brand Officer, Bell								
David D. Wells	2011	525,000	937,500	312,500	695,625	157,081	17,762	2,645,468
Executive Vice-President –	2010	525,000	—	—	589,050	147,420	15,290	1,276,760
Corporate Services,	2009	525,000	—	—	567,000	42,494	13,585	1,148,079
BCE and Bell Canada								

(1) MR. CRULL was appointed President of Bell Media on April 1, 2011. He remains an officer of Bell Canada and member of the Executive Committee of BCE Inc. and Bell Canada.

(2) Represents the grant date fair value of the 2011 restricted share unit and performance share unit awards using a share price at the time of grant of $35.66. The share price at time of grant was equal to the volume weighted average of the trading price per BCE common share of a board lot of BCE common shares traded on the Toronto Stock Exchange for the five consecutive trading days ending on the trading day prior to the day the grant became effective.

For purposes of financial statement disclosure as at December 31, 2011, the 2011 restricted share unit and performance share unit awards were valued using a share price of $35.67. Such accounting fair value is amortized over the vesting period of the awards, in this case being the period from February 21, 2011 to December 31, 2013. The difference between the grant date fair value and the accounting fair value as at December 31, 2011 is approximately $0.01 greater per unit or $2,369 for the 227,148 restricted share units and performance share units awarded to the named executive officers on February 21, 2011.

(3) The value shown under this column was allocated as per our compensation plan policy, 50% of the total long-term incentive plan value in restricted share units and 25% of the total long-term incentive plan value in performance share units. The following table details the amounts awarded under both plans:

NAMED EXECUTIVE OFFICER	RESTRICTED SHARE UNITS	PERFORMANCE SHARE UNITS
G.A. Cope	$2,650,000	$1,325,000
S.A. Vanaselja	$ 625,000	$ 312,500
K.W. Crull	$ 750,000	$ 375,000
W. Oosterman	$ 750,000	$ 375,000
D.D. Wells	$ 625,000	$ 312,500

(4) BCE started to use the binomial method for purposes of compensation in 2007. The binomial model provides flexibility in the determination of the theoretical value of options for assumptions regarding parameters such as dividends, vesting period and exercise before expiry. The binomial model is a recognized method for the valuation of stock options of a company that has a high dividend yield.

A binomial value of $4.10 was used to convert the value awarded by the Board to the named executive officers into 658,539 options. The main assumptions that were used in determining such value are described in the following table:

Vesting Period	3 years
Dividend Yield	5.5%
Expected Volatility	21.7%
Risk Free Interest Rate	2.27%
Total Exercise Period	7 years
Expected Life	4.5 years

The accounting fair value for the purposes of the financial statements is also calculated using a binomial methodology, which meets requirements under International Financial Reporting Standards, but uses slightly different assumptions, most importantly, the dividend is calculated assuming a dividend growth commensurate with the Corporation's dividend growth strategy instead of a fixed dividend.

For purposes of financial statement disclosure as at December 31, 2011, the difference between the stock option award grant date fair value and the accounting fair value of the stock option award as at December 31, 2011 is approximately $1.00 less per option or $658,529 for the 658,539 stock options awarded to the NEOs on February 21, 2011. The main assumptions that were used in determining such accounting value are described in the following table:

Vesting Period	3 years
Dividend Yield	5.5% (initial dividend)
Expected Volatility	21.0%
Risk Free Interest Rate	2.72%
Total Exercise Period	7 years
Expected Life	4.5 years

(5) *This column only includes the annual short-term incentive awards paid to the named executive officers. Our named executive officers have the choice to participate in the deferred share unit plan by electing to receive all or a portion of their annual short-term incentive award in deferred share units. Detailed below are the annual elected percentages by named executive officer:*

YEAR OF ANNUAL SHORT-TERM INCENTIVE AWARD	GEORGE A. COPE	SIIM A. VANASELJA	KEVIN W. CRULL	WADE OOSTERMAN	DAVID D. WELLS
	ELECTED PERCENTAGE OF THE ANNUAL SHORT-TERM INCENTIVE AWARD IN DEFERRED SHARE UNITS				
2011	—	100%	—	80%	100%
2010	100%	—	—	65%	25%
2009	50%	100%	35%	100%	100%

The effective date of the grants of deferred share units for the 2011 annual short-term incentive was February 14, 2012 and the share price used for conversion was $39.47. For the 2010 and the 2009 annual short-term incentive, the effective date of the grants of deferred share units were February 15, 2011 and February 10, 2010, respectively. The share price used for conversion was $35.61 for the 2010 annual short-term incentive and $28.56 for the 2009 annual short-term incentive. For all grants, the share price is equal to the closing share price of a board lot of common shares of BCE on the Toronto Stock Exchange on the last trading day before the grant comes into effect.

Short-term incentive targets for all named executive officers, except for MR. COPE were increased from 82.5% to 100% on January 1, 2009.

(6) *As described under* Pension arrangements, *for all named executive officers except for MR. VANASELJA, this represents the employer contribution for each of the three most recently completed years for the different defined contribution arrangements and related effects on the value of the executive officer's SERP account when applicable. For 2011 and 2010, for MR. VANASELJA, it represents the service cost evaluated at the end of such year of an additional year of service. For 2009, it also represents the current service cost of an additional year of service and it includes the impact of the increase in his annual base salary and short-term incentive target as of January 1, 2009.*

(7) *All Other Compensation is comprised of the following components :*

NAME	YEAR	PERQUISITES AND OTHER PERSONAL BENEFITS [(a)] ($)	COMPANY CONTRIBUTION UNDER EMPLOYEES' SAVINGS PLAN [(b)] ($)	OTHER [(c)] ($)	TOTAL ALL OTHER COMPENSATION ($)
George A. Cope	2011	122,373	25,000	16,882	164,255
	2010	122,205	25,000	15,438	162,643
	2009	92,205	22,917	13,746	128,868
Siim A. Vanaselja	2011	—	11,500	11,318	22,818
	2010	—	11,500	9,951	21,451
	2009	—	10,542	9,542	20,084
Kevin W. Crull	2011	77,873	14,000	11,348	103,221
	2010	77,705	14,000	25,803	117,508
	2009	77,705	12,833	54,777	145,315
Wade Oosterman	2011	—	14,000	8,998	22,998
	2010	—	14,000	8,297	22,297
	2009	—	12,833	7,190	20,023
David D. Wells	2011	—	10,500	7,262	17,762
	2010	—	10,500	4,790	15,290
	2009	—	9,625	3,960	13,585

a) *Perquisites and other personal benefit that in aggregate are worth less than $50,000 or 10% of the total annual base salary of a named executive officer for the financial year are not included. For MR. COPE, it consists mainly in a perquisite allowance in the amount of $120,000 for years 2011 and 2010 and of $90,000 for 2009, respectively. For MR. CRULL, it is essentially composed of a perquisite allowance of $45,500 and of tuition fees in the amount of $30,000 for each of years 2011, 2010 and 2009.*

b) *Under the Employees' Savings Plan, when employees, including named executive officers, elect to contribute up to 6% of their eligible earnings to buy BCE common shares, the company contributes $1 for every $3 that the employee contributes. Starting in July 2010 and so as to encourage share ownership over the longer term, participants may not withdraw any common shares bought with their own contributions under the plan for a two-year period to allow employer contributions to vest. For 2011, all amounts reported represent unvested employer contributions. For 2010, the amounts reported include the following unvested employer contributions: $11,458 for MR. COPE, $5,271 for MR. VANASELJA, $4,813 for MR. WELLS and $6,417 for MESSRS. CRULL AND OOSTERMAN.*

c) *For all named executive officers, this column includes mainly company-paid life insurance premiums and gross-up payments. For MR. CRULL it also includes a market locality differential payment of $15,068 for year 2010 and $45,204 for year 2009 in accordance with the terms of his employment. Such benefit was intended to offset higher housing costs resulting from his relocation to Canada upon hire. His benefits under such plan expired in June 2010.*

INCENTIVE PLAN AWARDS

Outstanding unexercised option-based awards and unvested share-based awards

The following table includes all unexercised option-based awards and all share-based awards outstanding at the end of the financial year ended December 31, 2011. Refer to the *Equity-Based Long-Term Incentive Plan* section for key features of the plans.

	OPTION-BASED AWARDS							SHARE-BASED AWARDS		
		NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS								
NAME	GRANT DATE	VESTED (#)	NOT VESTED (#)	TOTAL OPTIONS (#)	OPTION EXERCISE PRICE [1] ($)	OPTION EXPIRATION DATE [2]	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS [3] ($)	NUMBER OF SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED (#)	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED [4] ($)	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS NOT PAID OUT OR DISTRIBUTED [4] ($)
George A. Cope	2007-03-12	250,000	0	250,000	30.72	2013-03-11	2,937,500	116,075	4,929,712	31,543,052
	2011-02-21	0	323,171	323,171	35.83	2018-12-20	2,145,855			
Siim A. Vanaselja	2011-02-21	0	76,220	76,220	35.83	2018-12-20	506,101	27,377	1,162,708	8,127,264
Kevin W. Crull	2005-03-07	50,000	0	50,000	29.30	2015-03-06	658,500	32,851	1,395,197	2,950,615
	2007-03-12	130,000	0	130,000	30.72	2013-03-11	1,527,500			
	2011-02-21	0	91,464	91,464	35.83	2018-12-20	607,321			
Wade Oosterman	2006-08-07	180,000	0	180,000	26.08	2016-08-06	2,950,200[5]	32,851	1,395,197	12,948,631
	2007-03-12	130,000	0	130,000	30.72	2013-03-11	1,527,500[5]			
	2011-02-21	0	91,464	91,464	35.83	2018-12-20	607,321			
David D. Wells	2011-02-21	0	76,220	76,220	35.83	2018-12-20	506,101	27,377	1,162,708	2,055,501

(1) The exercise price is the price at which a common share may be purchased when an option is exercised. Effective June 6, 2007, shareholders approved that the exercise price be the higher of the volume weighted average of the trading price per BCE common share of a board lot of BCE common shares traded on the Toronto Stock Exchange: (i) on the trading day prior to the day the grant becomes effective or, if at least one board lot of BCE common shares has not been traded on such day, then the volume weighted average for the next preceding day for which at least one board lot was so traded; and (ii) for the five consecutive trading days ending on the trading day prior to the day the grant becomes effective. For options granted prior to June 6, 2007, the exercise price was equal to the closing price of a board lot of common shares of BCE on the last trading day before the grant came into effect.

(2) The term of any option may not exceed ten years from the effective date of the grant. Until 2004, options were granted for a term of ten years from the effective date of the grant. Since 2004, options were generally granted with a term of six years from the effective date of the grant. Starting with the 2011 grants, options are now granted with a seven-year term. The MRCC can always recommend and the Board approve another option term at time of grant as long as the maximum ten-year expiry date is respected.

(3) The value of unexercised in-the-money options is calculated using the closing price of a board lot of common shares of BCE on the Toronto Stock Exchange on December 31, 2011, i.e. $42.47, less the exercise price of those options.

(4) The value of the outstanding share units is calculated using the closing price of a board lot of common shares of BCE on the Toronto Stock Exchange on December 31, 2011, i.e. $42.47, times the number of share units held by the employee in the restricted share units, performance share units and deferred share units plans, as applicable.

(5) These options were exercised by Mr. Oosterman in early March 2012 and all underlying shares were retained.

Incentive plan awards — value vested or earned during the year

The following table summarizes option-based awards and share-based awards that vested during 2011 as well as short-term incentive awards earned during 2011. Refer to the *Compensation discussion & analysis — Equity-Based Long-Term Incentive Plan* and *Annual short-term incentive awards* sections for the key features of the plans.

	OPTION-BASED AWARDS			SHARE-BASED AWARDS	NON-EQUITY INCENTIVE PLAN COMPENSATION
NAME	VESTING DATE	VESTED OPTIONS DURING 2011 (#)	VALUE ON VESTING DATE (1) ($)	VALUE VESTED DURING THE YEAR ($)	VALUE EARNED DURING THE YEAR (2) ($)
George A. Cope	2011-03-12	62,500 (3)	250,625	—	2,445,313
Siim A. Vanaselja	2011-03-12	27,500 (3)	110,275	—	813,625
Kevin W. Crull	2011-03-12	32,500 (3)	130,325	—	990,500
Wade Oosterman	2011-03-12	32,500 (3)	130,325	—	938,000
David D. Wells	—	— (3)	—	—	695,625

(1) This value was determined by calculating the difference between the closing price of a board lot of common shares of BCE Inc. on the Toronto Stock Exchange on the vesting date and the exercise price of the options.

(2) These amounts are the same as those included in the Summary compensation table under the column Non-equity incentive plan compensation (Annual incentive plans) and include the entire 2011 annual short-term incentive awards paid in cash and/or in deferred share units.

(3) On March 12, 2007, all of the named executive officers, with the exception of Mr. Wells who had not then joined the company, received a grant of 2007-2008 options for a two-year period ending December 31, 2008. These options vested at a rate of 25% per year over a four-year period as per standard plan provisions. The final 25% vested on March 12, 2011.

STOCK OPTION PLAN

The number of shares issuable to insiders, at any time, under the stock option plan and all equity-based compensation arrangements of BCE, cannot exceed 10% of issued and outstanding shares; and the number of shares issued to insiders, within any one-year period, under all security-based compensation arrangements of BCE, cannot exceed 10% of issued and outstanding shares. As of December 31, 2011, they represented 0.2% of issued and outstanding shares.

Options are not assignable by the optionee, except to the optionee's estate upon the optionee's death.

Under the terms of the stock option plan, the MRCC has the authority to depart from standard vesting provisions, exercise schedules or termination provisions at the time of grant of new options or later on with respect to any outstanding option, without shareholder approval. However, the MRCC may not, without shareholder approval:

- increase the number of common shares that can be issued under the stock option plan
- reduce the strike price of an outstanding option (including a cancellation and regrant of an option, constituting a reduction of the exercise price of an option)
- extend the expiry date of an outstanding option or amend the stock option plan to permit the grant of an option with an expiry date beyond the maximum term allowed under the stock option plan
- change the provisions relating to the transferability of options except if the transfer is for normal estate settlement purposes
- make amendments to eligible participants that may permit the introduction of non-employee directors on a discretionary basis, and
- make amendments to provide for other types of compensation through equity issuance, unless the change results from application of the anti-dilution provisions of the stock option plan.

In 2011, we did not amend our stock option plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

NAME	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (#) (A)	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS ($) (B)	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS EXCLUDING SECURITIES REFLECTED IN COLUMN (A) (#) (C)
Equity compensation plans approved by securityholders	—	—	—
Equity compensation plans not approved by securityholders (1)	4,027,309	33	44,735,656 (2)
Total	4,027,309	33	44,735,656

(1) The key features of the BCE Inc. Long-Term Incentive (Stock Option) Program (1999) are provided under Compensation discussion & analysis — Equity-based long-term incentive plan.

(2) This number includes 13,513,812 BCE common shares issuable pursuant to employee subscriptions under the BCE Inc. Employees' Savings Plans (1970) and (2000).

The following table sets out the number of securities issued and issuable under each of the company's security-based compensation arrangements and the number of BCE common shares underlying outstanding options and percentages represented by each calculated over the number of BCE common shares outstanding as at December 31, 2011.

	COMMON SHARES ISSUABLE (1)		COMMON SHARES ISSUED TO DATE		COMMON SHARES UNDER OUTSTANDING OPTIONS	
	#	% (2)	#	% (2)	#	% (2)
BCE Inc. Long-Term Incentive (Stock Option) Program (1999) (3)	35,249,153 (4)	4.5	14,444,752	1.9	4,027,309 (5)	0.5
Employees' Savings Plans (1970) and (2000)	13,513,812 (6)	1.7	16,574,937	2.1	N/A	N/A

(1) This number excludes BCE common shares issued to date and represents the aggregate of BCE common shares underlying outstanding options and BCE common shares remaining available for future grants of options and subscriptions under the Employees' Savings Plans.

(2) Outstanding BCE Common Shares as at December 31, 2011 = 775,587,100.

(3) As at the date of this Circular, there were 34,800,331 common shares issued and issuable under the Stock Option Program (1999), which represented 4.5% of the then outstanding common shares.

(4) Out of a maximum number of issuable BCE common shares of 50,000,000 under the Stock Option Program (1999) after deduction of 306,095 common shares transferred to and issued or issuable under the BCE Inc. Replacement Stock Option Plan (Plan of Arrangement 2000).

(5) As at the date of the Circular, there were 6,150,692 common shares underlying outstanding options, which represented 0.8% of the then outstanding common shares.

(6) Out of an aggregate maximum number of issuable BCE common shares of 20,000,000 under the Employees' Savings Plans (1970) and (2000).

EMPLOYEES' SAVINGS PLANS (ESPs)

ESPs are designed to encourage our employees and those of our participating subsidiaries to own shares of the company. In most instances, employees who have completed at least six months of service and who do not control directly or indirectly 5% or more of the outstanding common shares of BCE can choose to have up to 12% of their annual eligible earnings withheld through regular payroll deductions to buy BCE common shares. The employer contributes up to 2% of the employee's annual eligible earnings to the plan. Two ESPs are in place: the BCE Inc. Employees' Savings Plan (1970) (the "1970 ESP") and the BCE Inc. Employees' Savings Plan (2000) (the "2000 ESP"). The 2000 ESP, which is intended for employees whose principal employment is in the United States, is not currently in use and thus, there are no accumulated shares currently issued under this plan. The terms of both ESPs are substantially similar, with the exception of amendments made in July 2010 to the 1970 ESP only, as discussed below.

The trustee of the ESPs buys BCE common shares for the participants on the open market, by private purchase or from BCE (issuance of treasury shares). The price of the shares purchased by the trustee on the open market or by private purchase is equal to the value paid by the trustee for such shares. The price for treasury shares (if any) purchased from BCE is equal to the weighted average prices of the shares purchased by the trustee on the open market and by private purchase (if any) in the week immediately preceding the week in which the purchase is made from BCE. The purchase price for treasury shares may not be below the market price of the securities, as established pursuant to the plan. All the shares were purchased on the market in 2011 but we may issue shares from treasury from time to time to fill employee subscriptions.

The number of shares that may be issued under the ESPs to insiders of a participating company, within any one-year period, under all security-based compensation arrangements of BCE may not exceed 10% of all issued and outstanding BCE common shares. Participation in the ESPs is not assignable.

Under the terms of the ESPs, the Board has the authority to modify the ESPs without shareholder approval to introduce changes such as (among others) a change in the termination provisions, housekeeping changes (such as to correct an immaterial inconsistency or clerical error or omission), or a change deemed necessary or desirable to comply with applicable law or regulatory requirements.

However, the Board may not, without shareholder approval:
- amend the limit on employee contribution
- amend the offering period to more than 27 months
- introduce a discount purchase price
- amend the maximum company contribution
- increase the number of common shares issuable pursuant to the ESPs, and
- allow for a potential dilution associated with the ESPs, together with all other securities-based compensation arrangements, of more than 10% of outstanding common shares of the company.

In 2010, the 1970 ESP was refocused to better support long-term share ownership and to build greater interest in the growth and success of our company. Shares purchased with employee contributions may not be withdrawn from the plan for a two-year period to allow employer contributions to vest. Shares are then purchased with the employer contributions and become available to the participant. Upon departure from the company, except upon involuntary termination, retirement or death, the unvested employer contributions are forfeited.

No changes were made to the 1970 ESP and to the 2000 ESP in 2011.

PENSION ARRANGEMENTS

All of the named executive officers participate in a Bell pension plan (Bell Plan). All named executive officers except Mr. Vanaselja are covered under the defined contribution arrangement of the Bell Plan and they have all entered into defined contribution supplementary agreements. Mr. Vanaselja is covered under the defined benefit arrangement of the Bell Plan and has also entered into defined benefit supplementary agreements.

Defined contribution arrangements

Defined Contribution Basic Plan (DC Basic Plan)

The DC Basic Plan is the sum of:
- ***Employee contributions:*** Employee may contribute up to a maximum of 4% of pensionable earnings, subject to the *Income Tax Act* (Canada) (*ITA*) limit.
- ***Employer contributions:*** Employer contributes 4% of pensionable earnings and matches the first 2% of employee contributions, for a maximum of 6%.

a. Registered Defined Contribution Plan Arrangement (Registered DC Plan Arrangement)

The Registered DC Plan Arrangement is a component of the Bell Plan. Under this arrangement, each participant has the responsibility to choose how to invest the contributions made in his registered account and the rate of return depends on his choice. Employee contributions, company contributions and any investment returns are immediately vested. The sum of employee and employer contributions is limited to the maximum allowed under the ITA for registered pension plans.

b. Defined Contribution Notional Account (DC Notional Account)

When the sum of employee and employer contributions in any given year reaches the limit prescribed under the ITA, contributions stop being deducted from the employee's pay and deemed employer contributions start to accumulate in his DC Notional Account. The notional account vests immediately and is credited monthly at the rate of return of an actively managed fund called the Bimcor Balanced Fund. This notional account accumulates until termination, retirement or death, at which point it is paid in cash to the employee or beneficiary.

Defined Contribution Supplementary Executive Retirement Plan (DC SERP)

All executive officers, including named executive officers, hired or appointed to an officer position on or after January 1, 2005, are eligible for benefits under the DC SERP after having served as an officer for at least five years. These supplemental arrangements consist of the application of a multiplier to employer's contributions accumulated in their accounts under the DC Basic Plan (Registered DC Plan Arrangement and DC Notional Account) while serving as an officer.

Once an executive officer becomes eligible for benefits under the DC SERP, a multiplier varying from 1.25 upon reaching 45 points (age and years of service) to 3.0 upon reaching 80 points is applied to employer's contributions (DC Basic Plan). An executive officer may therefore accumulate while an officer (through employer contributions and the related multiplier) up to 18% of his pensionable earnings plus credited investment returns.

The additional amount attributable to DC SERP equals the multiplier times:
- The employer's contributions accumulated in their accounts under the DC Basic Plan; less
- The employer's contributions accumulated in their accounts under the DC Basic Plan at the date they became officers.

The Board may grant additional years of service, additional employer contributions or both, through a special arrangement.

Pensionable earnings include base salary and short-term incentive awards, whether they are paid in cash or deferred share units. The entire cost is paid by the company for the DC SERP and this benefit is payable in a lump sum at termination, death or retirement. The DC SERP, by its nature, does not include any indexation provision, unlike the DB SERP.

The following table shows amounts from all the company's defined contribution arrangements applicable for the named executive officers subject to this pension arrangement.

EXECUTIVE	NAME OF THE ARRANGEMENT	BALANCE AS OF DECEMBER 31, 2010 ($)	COMPENSATORY (1) ($)	NON-COMPENSATORY (2) ($)	BALANCE AS OF DECEMBER 31, 2011 ($)
George A. Cope (3)	DC Basic Plan (6)	962,264	222,375	8,847	1,193,486
	DC SERP (7)	872,835	233,494	89,571	1,195,900
	Total	1,835,099	455,869	98,418	2,389,386
Kevin W. Crull	DC Basic Plan (6)	487,698	95,424	-10,112	573,010
	DC SERP (7)	269,196	66,797	36,263	372,256
	Total	756,894	162,221	26,151	945,266
Wade Oosterman (4)	DC Basic Plan (6)	348,408	108,024	-4,703	451,729
	DC SERP (7)	0	86,419	249,231	335,650
	Total	348,408	194,443	244,528	787,379
David D. Wells (5)	DC Basic Plan (6)	205,022	66,843	3,670	275,535
	DC SERP (7)	235,228	90,238	16,515	341,981
	Total	440,250	157,081	20,185	617,516

(1) Employer contribution in 2011 for the different DC arrangements.

(2) Employee contribution and investment return for the DC Basic Plan, and investment return for the DC SERP.

(3) In conjunction with his appointment as President and Chief Operating Officer of Bell Canada in January of 2006 and to recognize the level of seniority at which he joined the company, Mr. Cope was credited five years of service and $180,000 of notional employer contributions in his DC Notional Account (included under DC Basic Plan in the above table) through a special arrangement.

(4) Mr. Oosterman became eligible for his DC SERP benefits in August 2011.

(5) In conjunction with his appointment as Executive Vice-President – Corporate Services of BCE and Bell Canada in July of 2008 and to recognize the level of seniority at which he joined the company, Mr. Wells was credited $50,000 of notional employer contributions in his DC Notional Account (included under DC Basic Plan in the above table) through a special arrangement. Given the point of his career where Mr. Wells stood when he joined Bell, the MRCC decided to waive the 5-year vesting period and effectively made Mr. Wells eligible for his DC SERP benefits.

(6) DC Basic Plan includes the Registered DC Plan Arrangement and the DC Notional Account.

(7) As of December 31, 2011, our named executive officers were eligible for the following SERP multipliers:

EXECUTIVE	AGE	SERVICE	POINTS	MULTIPLIER
George A. Cope	50.4	11.1*	61.5	2.05x
Kevin W. Crull	47.4	6.8	54.2	1.70x
Wade Oosterman	51.2	5.4	56.6	1.80x
David D. Wells	64.3	3.5	67.8	2.35x

* *Includes 5 years of service granted upon hire through a special arrangement*

Defined benefit arrangements

Defined Benefit Basic Plan (DB Basic Plan)

For each year of pensionable service from January 1, 1987 under the DB Basic Plan, the amount of annual pension payable to named executive officers from age 65 shall be equal to the sum of:

i. 1.0% of the Year's Maximum Pensionable Earnings of the year (YMPE); and
ii. 1.7% of the officer's average annual pay during the best 60 consecutive months of pensionable earnings (AAPE) in excess of the YMPE.

a. Registered Defined Benefit Plan Arrangement (Registered DB Plan Arrangement)

The Registered DB Plan Arrangement is a component of the Bell Plan. This arrangement is calculated using the AAPE in which the officer's compensation produces the highest average. However, it is limited to the maximum allowed under the ITA for registered pension plans. Benefits are partially indexed every year to increases in the Consumer Price Index, subject to a maximum of 4% per year.

b. Excess Defined Benefit Pension (Excess DB Pension)

The excess pension is the pension amount that exceeds the ITA limit on registered pension plans. The entire cost is paid by the company.

This benefit is only payable upon retirement or death after age 55 and is not subject to any deductions for government benefits or other offset amounts. Benefits are also partially indexed every year to increases in the Consumer Price Index, subject to a maximum of 4% per year.

Defined Benefit Supplementary Executive Retirement Plan (DB SERP)

All executive officers, including named executive officers, hired or appointed to an officer position on or before December 31, 2004, are eligible for benefits under the DB SERP. The executive officer receives 1.5 years of pensionable service for every year he serves as an officer. Retirement eligibility is based on the executive officer's age and years of service. The Board may credit additional years of service towards retirement eligibility, pension calculation or both, through a special DB SERP arrangement. The DB SERP is a non-contributory arrangement.

In general, an executive officer is eligible to receive DB SERP benefits when he reaches one of the following:

- at least age 55, and the sum of age and service is at least 85
- at least age 60, and the sum of age and service is at least 80
- age 65 and has 15 years of service.

Pensions are calculated based on pensionable service and pensionable earnings. Pensionable earnings include base salary and short-term incentive awards, up to a maximum of the target value, whether they are paid in cash or deferred share units. The average of the executive officer's best consecutive 36 months of pensionable earnings is used to calculate his pension.

An executive officer may receive up to 70% of his average pensionable earnings as total pension benefits under the DB Basic Plan and DB SERP. Pensions are payable for life. Surviving spouses receive about 60% of the pension that was payable to the executive officer. Pension payments are partially indexed every year to increases in the Consumer Price Index, subject to a maximum of 4% per year.

In addition to the results in the following table, the executive officers receive a retirement allowance equal to one year's base salary when they retire under DB SERP provisions. This is not included in their pensionable earnings.

Special Defined Benefit Arrangement (DB SA)

From time to time, the Board may grant a DB SA that would become payable to named executive officers if they were to retire before being eligible for their DB SERP. This benefit can be granted to compensate for any gaps between the DB Basic Plan and the DB SERP in certain circumstances.

The following table shows information from all the company's defined benefit arrangements for the active named executive officer subject to this pension arrangement.

EXECUTIVE	NUMBER OF YEARS CREDITED SERVICE (#)	ANNUAL BENEFITS PAYABLE AT YEAR END [(2)] ($)	ANNUAL BENEFITS PAYABLE AT AGE 65 [(3)] ($)	ACCRUED OBLIGATION AT START OF YEAR [(4)] ($)	COMPENSATORY CHANGE [(5)] ($)	NON-COMPENSATORY CHANGE [(6)] ($)	ACCRUED OBLIGATION AT YEAR END [(7)] ($)
Siim A. Vanaselja							
DB Basic Plan [(1)]	17.9	213,140	444,708	3,410,660	220,496	328,083	3,959,239
DB SERP & DB SA [(8)]	26.3 [(9)]	160,447	335,494	2,705,436	172,116	209,952	3,087,504
Total		373,587	780,202	6,116,096	392,612	538,035	7,046,743

(1) The DB Basic Plan includes the Registered DB Plan Arrangement and the Excess DB Pension.

(2) Annual benefits payable at age 55 represents the pension payable under the DB SA and under the DB Basic Plan assuming the final average earnings as of December 31, 2011. The immediate pensions illustrated in this table are under the joint & survivor option.

(3) Annual benefits payable at age 65 represents the pension payable under the DB SERP and under the DB Basic Plan assuming the final average earnings as of December 31, 2011 is fixed and the named executive officer continues to work up to age 65. The pensions illustrated in this table are under the joint & survivor option.

(4) Accrued obligation at start of year is performed using the assumptions in the financial statement as of the plan measurement date (December 31, 2010). The accrued obligation excludes the retirement cash allowance equal to one year's base salary payable upon retirement pursuant to the DB SERP.

(5) The compensatory change for 2011 represents the current service cost of an additional year of service.

(6) The non-compensatory change represents the impact of discount rate (from 5.5% to 5.1%) and the change of YMPE (established and revised annually by the government and used for the purposes of the Canada/Québec Pension Plan) on accrued obligation.

(7) Accrued obligation at year end is calculated using the following key assumptions: discount rate of 5.1% and increase in base salary of 3.0% annually. The accrued obligation excludes the retirement cash allowance equal to one year's base salary payable upon retirement pursuant to the DB SERP.

(8) Mr. Vanaselja is eligible for DB SERP benefits if he retires on or after age 60. If his employment terminates or is severed for any reasons other than cause on or after age 55 but before age 60, his annual pension will be equal to a percentage of pensionable earnings corresponding to 35% at age 55 plus 3.5% per additional year of age under his DB SA.

(9) The number of years of credited service for calculating total pension benefits at December 31, 2011 was 26.3 years which includes 17.9 years of actual service and an additional 8.4 years that was credited to Mr. Vanaselja under the company's policy, pursuant to which 1.5 years of service is credited for every year of actual service while acting as an officer for DB SERP.

TERMINATION AND CHANGE IN CONTROL BENEFITS

This section describes the standard provisions applicable to our different equity-based plans in the event of a termination or a change in control. The MRCC has the authority to depart from these standard provisions at the time an option, a restricted share unit or a performance share unit is granted.

Stock options

EVENT	STOCK OPTIONS GRANTED BEFORE 2011	STOCK OPTIONS GRANTED IN 2011
Voluntary resignation	All non-vested options are forfeited on the event date. Vested options can be exercised for 30 days following the event date (without exceeding the original expiry date). At the end of the 30 days, all outstanding options are forfeited	All non-vested options are forfeited on the event date. Vested options can be exercised for 1 year following the event date (without exceeding the original expiry date). At the end of the 1-year period, all outstanding options are forfeited
Termination for cause		All vested and unvested options are forfeited on the event date
Termination without cause (other than following a change in control)		Continued vesting and right to exercise the stock options conditional to the employee conforming to non-competition, non-solicitation and confidentiality covenants for the duration of the vesting and exercise period
Retirement	Retirement is defined as an employee retiring from the company's Defined Benefit pension plan Options continue to vest for three years following the event date and can be exercised during that three-year period (without exceeding the original expiry date). At the end of the three-year period, all outstanding options are forfeited	Retirement is defined as an employee retiring from the company with at least 55 years of age and 10 years of service, or at least 60 years of age Continued vesting and right to exercise the stock options conditional to the employee conforming to non-competition, non-solicitation and confidentiality covenants for the duration of the vesting and exercise period
Death	All non-vested options are forfeited on the event date. Vested options can be exercised by the estate for 12 months following the event date (without exceeding the original expiry date). After 12 months, all outstanding options are forfeited	All non-vested options vest on the event date. Vested options can be exercised by the estate for 12 months following the event date (without exceeding the original expiry date). After 12 months, all outstanding options are forfeited
Change in control (1)	If the employment of an option holder is terminated by the company other than for cause or by the option holder for Good Reason (2) within 18 months of a change in control, unvested options can be exercised for a period of 90 days from the date of termination	

(1) A change in control of BCE occurs when:
- *another party acquires 50% or more of the outstanding securities of a class of voting or equity securities of BCE,*
- *the composition of a majority of BCE's Board changes for a reason such as a dissident proxy solicitation,*
- *BCE's shareholders approve plans or agreements for disposing of all or substantially all of BCE's assets, liquidating or dissolving BCE, or in certain cases, merging, consolidating or amalgamating BCE, or*
- *the MRCC determines that an event is a change in control.*

Upon a change in control or partial change in control of Bell Canada or a designated entity, unvested options of an option holder who is employed in one of BCE's business units, such as Bell Canada or another subsidiary that the MRCC identifies as a "designated business unit", will become exercisable if:
- *BCE's interest in the business unit or subsidiary falls below 50% but remains at least 20%, and*
- *the option holder's employment is terminated within 18 months of the reduction for a reason other than for cause, or if the option holder terminates employment for Good Reason (2).*

The option holder has up to 90 days from that day, or longer if the MRCC so determines, to exercise the options.

If BCE's interest in a designated business unit falls below 20%, option holders who are employed in that business unit may exercise all of their unvested options effective upon the earlier of:
- *one year following the reduction in the interest, or*
- *the day the option holder's employment was terminated.*

The option holder has up to 90 days from that day, or longer if the MRCC so determines, to exercise the options.

(2) A resignation for Good Reason may take place only during the eighteen (18) months following a change in control if (i) the executive is assigned duties inconsistent with his current position or (ii) there is a material reduction in the executive's compensation or (iii) by relocation of the executive's principal workplace without his consent to a location more than 50 kilometers' distance from its current location. Please refer to footnote (2) under the table outlining Mr. Cope's payments below for additional information with respect to the provisions applicable to Mr. Cope.

Restricted Share Units and Performance Share Units

EVENT	RESTRICTED SHARE UNITS	PERFORMANCE SHARE UNITS
Voluntary resignation Termination for cause	All outstanding unvested grants are forfeited on the event date	
Termination without cause Retirement (1)	Continued vesting until the end of the performance period conditional to the employee conforming to non-competition, non-solicitation and confidentiality covenants for the duration of the period	Continued vesting until the end of the performance period conditional to the employee conforming to non-competition, non-solicitation and confidentiality covenants for the duration of the period To be paid on actual performance criteria results achieved by the company at the end of the performance period
Death	Immediate vesting and payment of outstanding grants	Immediate vesting of outstanding grants using, for determination of the vesting percentage, "period-to-date" results and results at target for the remainder of the period
Change in control	No specific change in control provisions exist in these plans	

(1) Retirement is defined as an employee retiring from the company with at least 55 years of age and 10 years of service, or at least 60 years of age.

Estimated payments for named executive officers upon termination of employment or change in control

The two tables below show the incremental payments that would be made to our Chief Executive Officer and other named executive officers in the event of termination of their employment or a change in control. Amounts were calculated as if termination had occurred on December 31, 2011.

George A. Cope

In early 2010, an employment agreement was signed with Mr. Cope to reduce to writing the terms of his employment agreed at the time of his appointment as President and CEO in July 2008. The terms applicable in the event of different termination scenarios are described in the table below.

EVENT	NOTICE PERIOD (3) ($)	SEVERANCE (4) ($)	2011 SHORT-TERM AWARD ($)	ADDITIONAL PENSION BENEFITS (6) ($)	PERQUISITES (7) ($)	RSUs (8) ($)	PSUs (8) ($)	STOCK OPTIONS (9) ($)	TOTAL ($)	BENEFITS (7)
Termination without cause (other than following a Change in control) Constructive Dismissal	—	7,112,500	— (5)	1,187,978	240,000	—	—	—	8,540,478	24 months extension
Termination for cause	—	—	—	—	—	—	—	—	—	—
Voluntary resignation	416,667	—	—	—	40,000	—	—	—	456,667	4 months extension
Long Term Disability (LTD) (1)	—	7,112,500	— (5)	1,187,978	240,000	—	—	—	8,540,478	Until age 65
Death	—	—	— (5)	—	—	3,286,460	1,643,252	2,145,855	7,075,567	—
Resignation for Good Reason (2) Termination without cause following a Change in control (2)	—	7,112,500	— (5)	1,187,978	240,000	—	—	2,145,855	10,686,333	24 months extension

(1) 30 days after becoming totally disabled, Mr. Cope is deemed to have resigned from his position and becomes eligible to receive termination payments and perquisite allowance identical to those applicable in case of termination without cause. He will receive benefits and payments under the Corporation's LTD plan until age 65 (continuation of health care benefits and payment of two-thirds of base salary). Stock options, restricted share units and performance share units will be treated in accordance with the terms of the plan applicable to LTD which provides for continued participation.

(2) The provisions applicable to a resignation for Good Reason or a termination following a change in control are the same as those applicable to any termination without cause, except with regards to the provisions applicable to his stock options.

Under Mr. Cope's agreement, Good Reason may only take place during the two years following a change in control (defined as acquisition of more than 50% of the common shares of Bell Canada or BCE by takeover bid, merger, amalgamation, sale of business or otherwise) if (i) Mr. Cope is assigned duties inconsistent with a CEO position or (ii) there is a material reduction in Mr. Cope's compensation.

(3) In case of voluntary resignation, Mr. Cope must provide the Corporation with written notice of four months. The Corporation may wave such period but remains responsible for paying Mr. Cope's base salary and maintaining his benefits coverage and perquisite allowance during the four-month period.

(4) The 24-month severance is calculated using Mr. Cope's annual base salary in effect at time of termination and average short-term incentive award for the two years preceding the year of termination. Mr. Cope's average short-term incentive award for 2009 and 2010 was $2,306,250. Severance is payable in equal installments over a 12-month period, without interest.

(5) Short-term incentive award for the year of termination to be prorated for the period worked and paid as if individual and corporate results were met at 100%. The actual amount of short-term incentive awarded for 2011 is disclosed in the Summary compensation table.

(6) Amount includes 24 months of employer contribution (6%, corresponding to the contribution level in effect prior to termination) under the DC arrangement of the pension plan using base salary in effect upon termination of employment and average short-term incentive award for the two years preceding the year of termination. This additional pension value will be payable in 12 monthly installments without interest. Amount also includes additional pension value for the recognition of two years of age and service (total of 4 points impacting the SERP multiplier), as if Mr. Cope had remained employed during such 24-month period, such amount being payable within 30 days following termination. Refer to Pension arrangements for more information on the DC arrangement of the pension plan. In case of LTD, Mr. Cope will cease participation in the Corporation's pension plan and SERP as of the date of deemed resignation. Refer to footnote (1) above for information on LTD.

(7) Upon a termination event other than termination for cause, LTD and voluntary resignation, all benefits and perquisites will be maintained for 24 months except the following: short and long-term disability plans, vacation, parking, security system and computer support. Outplacement services will also be provided as per the policy for executives. In the event of alternate employment within the 24-month period, all benefits and perquisites will cease immediately. Upon LTD, Mr. Cope will receive LTD benefits in accordance with the Corporation's LTD plan up to age 65 and 24 months of perquisites.

(8) If Mr. Cope conforms to the company's non-competition, non-solicitation and confidentiality restrictive covenants until the end of the respective performance periods, he will be eligible for continued vesting on his restricted share units and his performance share units. As of December 31, 2011, Mr. Cope had the following holdings under both plans evaluated using the closing price of a board lot of common shares of BCE on the Toronto Stock Exchange on December 31, 2011 of $42.47. Accelerated vesting in case of death was also calculated using the same price.

PLAN	NUMBER OF UNITS HELD	DECEMBER 31, 2011 VALUE
Restricted Share Units	77,383	$3,286,460
Performance Share Units	38,692	$1,643,252

(9) If Mr. Cope conforms to the company's non-competition, non-solicitation and confidentiality restricted covenants until the expiry date, he will be eligible for continued vesting and will have the right to exercise his stock options granted in 2011 until their expiry date. In case of death and termination following a change in control, the value of the accelerated options is calculated using the closing price of a board lot of common shares of BCE on the Toronto Stock Exchange on December 31, 2011 of $42.47. Refer to the Incentive Plan Awards *section for complete details on outstanding stock options for Mr. Cope.*

The payments and benefits described in the above table (with the exception of the notice period column) are subject to Mr. Cope's compliance with the 12-month non-competition (in Canada), non-solicitation and non-disparagement provisions of his agreement and to the confidentiality provisions of his agreement which are not limited in time. A breach with respect to these contractual provisions will not only result in the cancellation of the above payments and benefits but also in a reimbursement by Mr. Cope to the Corporation of the payments and benefits already received. Furthermore, all of his vested and unvested stock options will be forfeited and any option gain made within 12 months following his termination will also have to be reimbursed to the Corporation.

Upon termination, Mr. Cope's stock options, performance share units and restricted share units will be treated in accordance with the terms of the plans under which they have been granted. If he becomes totally disabled, his stock options, performance share units and restricted share units will be treated in accordance with the terms of the plans applicable to LTD rather than those applicable upon resignation.

If the Corporation needs to restate its financial statements due to gross negligence, intentional misconduct or fraud on the part of Mr. Cope during the 24 months preceding the restatement, and it is determined that cash or equity awards paid to Mr. Cope would have been lower than awards actually awarded or received had the restatement occurred prior to the payment of such award ("Restated Amounts"), the Board will have the right to:

- require him to reimburse the portion of any cash or vested incentive compensation awarded to him after July 11, 2008 (date of appointment as President and CEO) in excess of the Restated Amounts, net of tax and transaction costs
- cancel the portion of unvested cash or equity compensation awards, cash bonuses or deferred compensation granted to him after July 11, 2008 in excess of the Restated Amounts
- require him to reimburse any gain realized by him from the exercise of options granted to him after July 11, 2008 in excess of the Restated Amounts, net of tax and transaction costs

To the extent permitted by law, the Corporation will pay for Mr. Cope's legal fees should a dispute with respect to the above clawback policy occur.

Named executive officers

The table below shows the incremental payments that would be made to our name executive officers other than our Chief Executive Officer in the event of different termination events. Amounts were calculated as if termination had occurred on December 31, 2011.

	EVENT	SEVERANCE (3) ($)	RSUs (4) ($)	PSUs (5) ($)	STOCK OPTIONS (6) ($)	OTHER PAYMENTS (7) ($)	TOTAL ($)	PENSION BENEFITS (8) ($)
Siim A. Vanaselja	Termination without cause (other than following a Change in control)	1,725,000	—	—	—	—	1,725,000	373,587
	Termination for cause	—	—	—	—	—	—	—
	Voluntary resignation	—	—	—	—	—	—	—
	Death	—	775,124	387,584	506,101	—	1,668,809	—
	Termination without cause in the 18 months following a Change in control	1,725,000	—	—	506,101	—	2,231,101	373,587
Kevin W. Crull (1)	Termination without cause (other than following a Change in control)	2,800,000	—	—	—	286,000	3,086,000	—
	Termination for cause	—	—	—	—	—	—	—
	Voluntary resignation	—	—	—	—	286,000	286,000	—
	Death	—	930,131	465,066	607,321	—	2,002,518	—
	Termination without cause in the 18 months following a Change in control	2,800,000	—	—	607,321	286,000	3,236,150	—
Wade Oosterman (2)	Termination without cause (other than following a Change in control)	2,100,000	—	—	—	—	2,100,000	—
	Termination for cause	—	—	—	—	—	—	—
	Voluntary resignation	—	—	—	—	—	—	—
	Death	—	930,131	465,066	607,321	—	2,002,518	—
	Termination without cause in the 18 months following a Change in control	2,100,000	—	—	607,321	—	2,707,321	—
David D. Wells	Termination without cause (other than following a Change in control)	1,575,000	—	—	—	—	1,575,000	—
	Termination for cause	—	—	—	—	—	—	—
	Voluntary resignation	—	—	—	—	—	—	—
	Death	—	775,124	387,584	506,101	—	1,668,809	—
	Termination without cause in the 18 months following a Change in control	1,575,000	—	—	506,101	—	2,081,101	—

(1) In light of his appointment to the position of Chief Operating Officer of CTVglobemedia Inc. which became effective on November 1, 2010, Mr. Crull's agreement dated January 26, 2005, and amended on October 25, 2005 and May 7, 2007 was further amended on September 30, 2010. Mr. Crull's compensation was not modified as a result of such amendment.

Mr. Crull's employment agreement provides for the payment of a severance indemnity equal to 24 months of his base salary and annual short-term incentive award at target in effect at the time of termination if his employment is terminated by the company other than for cause. This payment is subject to Mr. Crull's compliance with the 12-month non-competition (in Canada) and release provisions of his employment agreement.

In the event of termination without cause or voluntary resignation, the company will reimburse pre-approved relocating costs from Toronto to the United States within nine months of termination. In addition, the vesting of RSUs, PSUs and stock options will continue for a 24-month period or until the option's expiry date if earlier, in accordance with the vesting schedule attached to each grant of RSUs, PSUs and stock options. Following the end of the 24-month period, vested options will be exercisable for 30 days.

(2) Mr. Oosterman's employment agreement dated July 3, 2006 provides for the payment of a severance indemnity equal to 18 months of his base salary and annual short-term incentive award at target in effect at the time of termination if his employment is terminated by the company other than for cause. This payment is subject to Mr. Oosterman's compliance with the 12-month non-competition (in Canada) and release provisions of his employment agreement.

(3) Even though there is no formal agreement between Mr. Vanaselja and the company or between Mr. Wells and the company, a severance indemnity equal to 18 months of base salary and annual short-term incentive award at target has been estimated based on their seniority and years of service.

For Messrs. Oosterman and Crull this represents the severance indemnity payable in accordance with their respective employment agreement, as detailed in footnotes (1) and (2) above.

Messrs. Vanaselja, Oosterman, Crull and Wells do not have special severance provisions in the event of a non-cause termination following a change in control, and such termination would therefore trigger the provisions set forth for any non-cause termination, if any.

(4) Conforming to the company's non-competition, non-solicitation and confidentiality restrictive covenants until the end of the of performance period, will render the individual eligible for continued vesting of restricted share units. As of December 31, 2011, our named executive officers had the following holdings, evaluated using the closing price of a board lot of common shares of BCE on the Toronto Stock Exchange on December 31, 2011 of $42.47, under the restricted share units plan. Accelerated vesting resulting from death was also calculated using the same price:

NAME	NUMBER OF UNITS HELD	VALUE AS OF DECEMBER 31, 2011
Siim A. Vanaselja	18,251	$775,124
Kevin W. Crull	21,901	$930,131
Wade Oosterman	21,901	$930,131
David D. Wells	18,251	$775,124

(5) *Conforming to the company's non-competition, non-solicitation and confidentiality restrictive covenants until the end of the of performance period, will render the individual eligible for continued vesting of performance share units. As of December 31, 2011, our named executive officers had the following holdings, evaluated using the closing price of a board lot of common shares of BCE on the Toronto Stock Exchange on December 31, 2011 of $42.47, under the performance share units plan. Accelerated vesting resulting from death was also calculated using the same price:*

NAME	NUMBER OF UNITS HELD	VALUE AS OF DECEMBER 31, 2011
Siim A. Vanaselja	9,126	$387,584
Kevin W. Crull	10,950	$465,066
Wade Oosterman	10,950	$465,066
David D. Wells	9,126	$387,584

(6) *Conforming to the company's non-competition, non-solicitation and confidentiality restricted covenants until the stock option expiry date, will render the individual eligible for continued vesting and rights to exercise the stock options granted in 2011 until their expiry. In case of death and termination following a change in control, the value of the accelerated options is calculated using the closing price of a board lot of common shares of BCE on the Toronto Stock Exchange on December 31, 2011 of $42.47. Refer to the* Incentive Plan Awards *section for complete details on outstanding stock options for our named executive officers.*

(7) *For Mr. Crull, this represents the estimated costs of relocating from Toronto to the United States which will be reimbursed by the company in the event of a non-cause termination or resignation in accordance with his employment agreement, as detailed under footnote (1) above.*

(8) *For Mr. Vanaselja, the following retirement benefit was approved by the MRCC on May 2, 2007 in the event of resignation or termination of his employment by the company other than for cause between the age of 55 and 60:*

- *an immediate pension equal to 35% of pensionable earnings at age 55 plus 3.5% per additional year of age. For example, in the event Mr. Vanaselja continues to work up to age 58 and his employment is then terminated, he would be entitled to an immediate annual pension of $485,662 which is 45.5% of his final average pensionable earnings as of December 31, 2011 ($1,067,390).*