These materials are important and require your immediate attention. The shareholders of Manitoba Telecom Services Inc. are required to make important decisions. If you have any doubt as to how to make such decisions, please contact your tax, financial, legal or other professional advisors. If you require further assistance, please do not hesitate to contact the Company's proxy solicitation and information agent, D.F. King Canada ("D.F. King"), toll free at 1-800-398-2816 (1-201-806-7301 by collect call) or by email at inquiries@dfking.com.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS AND MANAGEMENT INFORMATION CIRCULAR

Our special meeting of shareholders will be held at 9:00 a.m. (Manitoba time), on Thursday, June 23, 2016, at the Provencher Ballroom at the Fort Garry Hotel (222 Broadway, Winnipeg, Manitoba, R3C 0R3).

Shareholders of Manitoba Telecom Services Inc. have the right to vote their common shares, either by proxy or in person, at the special meeting.

Your vote is important.

This information circular tells you who can vote, what shareholders will be voting on and how shareholders can exercise the right to vote their common shares.

Please read it carefully.

MANITOBA TELECOM SERVICES INC.

May 26, 2016

THE BOARD OF DIRECTORS OF MANITOBA TELECOM SERVICES INC. HAS UNANIMOUSLY DETERMINED THAT THE ARRANGEMENT IS FAIR TO THE HOLDERS OF COMPANY SHARES AND IS IN THE BEST INTERESTS OF MANITOBA TELECOM SERVICES INC. AND RECOMMENDS THAT COMPANY SHAREHOLDERS VOTE FOR THE SPECIAL RESOLUTION

LETTER FROM THE CHAIR OF THE BOARD AND THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

May 26, 2016

Dear fellow shareholder:

A new chapter in Manitoba's business history began on May 2, 2016 with the announcement that Manitoba Telecom Services Inc. ("**MTS**" or the "**Company**") had entered into a definitive arrangement agreement with BCE Inc. ("**BCE**" or the "**Purchaser**") pursuant to which BCE agreed to purchase all of the issued and outstanding common shares (the "**Company Shares**") of MTS under terms that contain compelling benefits for our shareholders ("**Company Shareholders**"), our customers, and our employees and will support long term growth and prosperity in the Province of Manitoba.

As a Company Shareholder, you are entitled to vote on the special resolution approving the transaction and accordingly, are invited to attend a special meeting of Company Shareholders. The special meeting (the "**Company Meeting**") will be held on June 23, 2016, at 9:00 a.m. (Manitoba time), at the Provencher Ballroom at the Fort Garry Hotel (222 Broadway, Winnipeg, Manitoba, R3C 0R3).

At the Company Meeting, you will be asked to consider and, if thought appropriate, to pass, with or without variation, a special resolution approving a statutory arrangement pursuant to section 185 of *The Corporations Act* (Manitoba) (the "**Arrangement**") involving, among other things, the acquisition by BCE of all of the issued and outstanding Company Shares.

There are a number of important considerations under the Arrangement, beginning with the benefits that Company Shareholders are entitled to receive. Company Shareholders are entitled to receive, at the election of each holder, for his, her or its Company Shares, either (i) $40.00 in cash per Company Share; or (ii) 0.6756 of a BCE common share per Company Share, as described in more detail in the accompanying information circular. The elections made by Company Shareholders will be subject to proration and rounding. Company Shareholders will receive, in the aggregate, cash in respect of 45% of the issued and outstanding Company Shares (or approximately $1.336 billion based on the issued and outstanding Company Shares as of May 25, 2016) and common shares of BCE in respect of 55% of the issued and outstanding Company Shares.

The Board of Directors (the "**Board**") of MTS has, after, among other things, receiving legal and financial advice, unanimously determined that the Arrangement is fair to the holders of Company Shares and is in the best interests of MTS and recommends that Company Shareholders vote **FOR** the special resolution approving the Arrangement. The recommendation of the Board is based not only on the consideration Company Shareholders are entitled to receive, but on the expected benefits to MTS employees, the customers that we serve, to the community that we are a part of and other stakeholders. Details on the factors and considerations evaluated by the Board are set out in the accompanying information circular beginning at page 27. **Each director and officer of MTS intends to vote his or her Company Shares FOR the special resolution approving the Arrangement.**

To become effective, the special resolution in respect of the Arrangement must be approved by not less than $66^{2}/_{3}\%$ of the votes cast by Company Shareholders present in person or represented by proxy at the Company Meeting and entitled to vote.

The Arrangement is also subject to certain other conditions, including the receipt of required approvals from the Toronto Stock Exchange and the New York Stock Exchange, the Manitoba Court of Queen's Bench, and from the Canadian Radio-television and Telecommunications Commission under the *Broadcasting Act* (Canada), from the Competition Bureau under the *Competition Act* (Canada) and from the Minister of Innovation, Science and Economic Development under the *Radiocommunication Act* (Canada). Subject to obtaining such approvals and satisfying the other conditions contained in the arrangement agreement dated May 1, 2016, between BCE and MTS (the "**Arrangement Agreement**"), if Company Shareholders approve the special resolution in respect of the Arrangement, it is presently anticipated that the Arrangement will be completed in late 2016 or early 2017. The effective date of the Arrangement cannot occur later than May 1, 2017, unless this date is

extended in accordance with the terms of the Arrangement Agreement. This date can be extended up to October 28, 2017, in certain circumstances.

The accompanying information circular provides a detailed description of the Arrangement to assist you in considering how to vote on the special resolution to be approved at the Company Meeting. **You are urged to read this information carefully and, if you require assistance, consult your own legal, tax, financial or other professional advisor.**

Your vote is important regardless of the number of Company Shares you own. If you are unable to be present at the Company Meeting in person, we encourage you to take the time now to complete, sign, date and return the enclosed form of proxy so that your Company Shares can be voted at the Company Meeting in accordance with your instructions.

Provided Company Shareholders approve the special resolution in respect of the Arrangement and the final order is granted by the Manitoba Court of Queen's Bench, then we will send you a letter of transmittal and election form following payment of the second quarter 2016 dividend explaining how you can deposit and obtain payment for your Company Shares once the Arrangement is completed. The letter of transmittal and election form will also be available on our website at www.mts.ca/investors as well as under our profile on SEDAR at www.sedar.com or by contacting the depositary appointed in connection with the Arrangement (using the information set out under the heading "Questions and Further Assistance").

If you hold your Company Shares through an intermediary, such as a broker, investment dealer, bank or trust company, you should contact such intermediary with any questions related to voting on the special resolution to be approved at the Company Meeting or receiving payment for your Company Shares upon the completion of the Arrangement.

If you have any questions, please contact MTS' proxy solicitation and information agent, D.F. King, toll free at 1-800-398-2816 (1-201-806-7301 by collect call) or by email at inquiries@dfking.com or the depositary under the Arrangement, Computershare Trust Company of Canada, toll free at 1-877-982-8757.

Yours very truly,

David Leith
Chair of the Board

Jay Forbes
President and Chief Executive Officer

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF MANITOBA TELECOM SERVICES INC.

The holders of Company Shares (as hereinafter defined) are invited to our special meeting of shareholders (the "**Company Meeting**").

WHEN

Thursday, June 23, 2016

9:00 a.m. (Manitoba time)

WHERE

The Provencher Ballroom at the Fort Garry Hotel (222 Broadway, Winnipeg, Manitoba, R3C 0R3).

WHAT THE COMPANY MEETING IS ABOUT

The Company Meeting is being held pursuant to an interim order of the Manitoba Court of Queen's Bench dated May 25, 2016, for the holders (the "**Company Shareholders**") of common shares (the "**Company Shares**") of Manitoba Telecom Services Inc. ("**MTS**" or the "**Company**") to consider and, if thought appropriate, to approve a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth at Appendix "A" to the accompanying information circular, approving a statutory plan of arrangement (the "**Plan of Arrangement**") pursuant to section 185 of *The Corporations Act* (Manitoba) (the "**MCA**") involving, among others, MTS, the Company Shareholders and BCE Inc. ("**BCE**" or the "**Purchaser**"). The Arrangement contemplates, among other things, the acquisition by BCE of all of the issued and outstanding Company Shares of MTS (the "**Arrangement**").

Company Shareholders may also be asked to consider other business that properly comes before the Company Meeting.

YOU HAVE THE RIGHT TO VOTE

You are entitled to receive notice of and vote at the Company Meeting, or any postponement or adjournment thereof, if you were a Company Shareholder at the close of business on May 20, 2016.

YOU ARE ENTITLED TO DISSENT RIGHTS

Pursuant to the interim order (the "**Interim Order**") of the Manitoba Court of Queen's Bench and the provisions of section 184 of the MCA (as modified by the Interim Order and the Plan of Arrangement), if you are a registered holder of Company Shares, you have the right to dissent in respect of the Arrangement Resolution approving the Arrangement and, if the Arrangement becomes effective and upon strict compliance with the dissent procedures, to be paid the fair value of your Company Shares. **There can be no assurance that a dissenting Company Shareholder will receive consideration for his or her Company Shares of equal value to the consideration that such dissenting Company Shareholder would have received under the Arrangement.** This right of dissent is described in the accompanying information circular. If you fail to strictly comply with the dissent procedures set out in the accompanying information circular, you may not be able to exercise your right of dissent. If you are a beneficial owner of Company Shares registered in the name of a broker, investment dealer, bank, trust company, custodian or other intermediary and wish to dissent, you should be aware that **ONLY REGISTERED HOLDERS OF COMPANY SHARES ARE ENTITLED TO EXERCISE RIGHTS OF DISSENT**. A dissenting Company Shareholder may only dissent with respect to all Company Shares held on behalf of any one beneficial owner and registered in the name of such dissenting Company Shareholder. Holders of Company Options, DCUs, RSUs and PSUs (collectively, "**Incentive Awards**") are not entitled to any rights to dissent in respect of any Incentive Awards held.

YOUR VOTE IS IMPORTANT

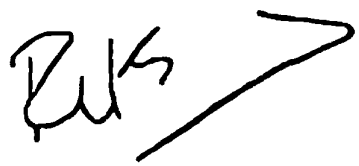
As a Company Shareholder, it is very important that you read this material carefully and then vote your Company Shares, either by proxy or in person at the Company Meeting. The accompanying information circular tells you more about how to exercise your right to vote your Company Shares.

Registered Company Shareholders unable to attend the Company Meeting in person are requested to complete, date, sign and return (in the envelope provided for that purpose) the applicable accompanying form of proxy for use at the Company Meeting. To be used at the Company Meeting, proxies must be received by MTS' registrar and transfer agent, Computershare Investor Services Inc. 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1 by no later than 9:00 a.m. (Manitoba time) on June 21, 2016, or by facsimile: 1-866-249-7775, Attention: Proxy Department or, in the event that the Company Meeting is adjourned or postponed, not less than 48 hours (other than a Saturday, Sunday or holiday) immediately preceding the time set for any reconvened or postponed Company Meeting. The Chair of the Company Meeting may waive or extend the proxy cut-off time at his sole discretion without notice. Company Shareholders in North America electing to submit a proxy by telephone should call 1-866-732-8683. Company Shareholders outside of North America electing to submit a proxy by telephone should call 1-312-588-4290. Company Shareholders must follow the instructions, use the form of proxy received from MTS, and provide the control number that is located on the proxy form. Proxies may be submitted via the internet through www.investorvote.com. Company Shareholders must follow the instructions provided at this website.

If you have any questions, please contact MTS' proxy solicitation and information agent, D.F. King, toll free at 1-800-398-2816 (1-201-806-7301 by collect call) or by email at inquiries@dfking.com or the depositary under the Arrangement, Computershare Trust Company of Canada, toll free at 1-877-982-8757.

The accompanying information circular provides a detailed description of the Arrangement to assist you in considering how to vote on the special resolution to be approved at the Company Meeting. **You are urged to read this information carefully and, if you require assistance, consult your own legal, tax, financial or other professional advisor.**

By Order of the Board



Paul Beauregard

Chief Corporate and Strategy Officer & Corporate Secretary

Winnipeg, Manitoba, Canada

May 26, 2016

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MANAGEMENT INFORMATION CIRCULAR

INTRODUCTION

This information circular is delivered in connection with the solicitation of proxies by and on behalf of our management for use at the Company Meeting or any adjournment(s) or postponement(s) thereof. We have not authorized any person to give any information or to make any representation in connection with the Arrangement or any other matters to be considered at the Company Meeting other than those contained in this information circular. If any such information or representation is given or made to you, you should not rely on it as having been authorized or as being accurate. For greater certainty, to the extent that any information provided on MTS' website or by a proxy solicitation or information agent, if any, is inconsistent with this information circular, you should rely on the information provided in this information circular. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited by telephone, over the Internet, in writing or in person.

This information circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

Company Shareholders should not construe the contents of this information circular as legal, tax or financial advice and should consult with their own legal, tax, financial or other professional advisors.

The information concerning BCE incorporated by reference herein or contained in this information circular has been publicly filed or provided by BCE. Although MTS has no knowledge that would indicate that any statements contained herein taken from or based upon such documents, records or sources are untrue or incomplete, MTS does not assume any responsibility for the accuracy or completeness of the information taken from or based upon such documents, records or sources, or for any failure by BCE, any of its affiliates or any of their respective representatives to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to MTS. In accordance with the Arrangement Agreement, BCE provided MTS with all necessary information concerning BCE that is required by law to be included in this information circular and ensured that such information does not contain any misrepresentations (as such term is defined in the Arrangement Agreement).

All summaries of, and references to, the Arrangement and the Arrangement Agreement in this information circular are qualified in their entirety by, in the case of the Plan of Arrangement, the complete text of the Plan of Arrangement, a copy of which is attached at Appendix "B", and, in the case of the Arrangement Agreement, the complete text of the Arrangement Agreement, which is available under MTS' profile on SEDAR at www.sedar.com. **You are urged to read carefully the full text of the Plan of Arrangement and the Arrangement Agreement.**

All capitalized terms used in this information circular, but not otherwise defined herein have the meanings set forth in the "Glossary" starting on page 99. Information contained in this information circular is given as of May 26, 2016, unless otherwise stated and assumes no Incentive Awards are granted, exercised, redeemed or settled, as the case may be, after such date.

NOTICE TO COMPANY SHAREHOLDERS IN THE UNITED STATES

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED UPON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The BCE Common Shares to be issued under the Arrangement have not been registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and will be issued in reliance on the exemption from registration set forth in Section 3(a)(10) thereof on the basis of the approval of the Court, which will consider, among other things, the fairness of the terms and conditions of the Arrangement to Company Shareholders. The solicitation of proxies hereby is not subject to the proxy requirements of Section 14(a) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"). Accordingly, this information circular has been prepared in accordance with disclosure requirements under applicable Canadian laws. Company Shareholders in the United States should be aware that these requirements may be different from those of the United States.

This information circular does not address any tax considerations of the Arrangement other than certain Canadian federal income tax considerations to Company Shareholders. Company Shareholders in the United States should be aware that the Arrangement may have tax consequences both in Canada and the United States. No tax advice or opinion whatsoever is provided in this information circular to Company Shareholders who are resident in jurisdictions other than Canada (including Company Shareholders that are United States taxpayers). It is anticipated that information about United States tax consequences, which are not currently determinable, will be provided prior to the Election Deadline. Company Shareholders that are United States taxpayers are urged to consult their own independent tax advisors with respect to the relevant tax implications of the Arrangement and for advice regarding the specific United States federal, state, local and foreign tax considerations applicable to them, including, without limitation, any associated filing requirements, in such jurisdictions. See "Risk Factors".

Financial statements and information included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, and are subject to auditing and auditor independence standards in Canada, and thus may not be comparable to financial statements of United States companies.

The enforcement by Company Shareholders of civil liabilities under U.S. federal securities laws may be affected adversely by the fact that MTS and BCE exist under the laws of Manitoba and Canada, respectively; that a number of directors and officers of MTS and BCE are residents of Canada; and that all or a substantial portion of MTS' and BCE's respective assets, and those of their officers and directors, may be located outside of the United States. As a result, it may be difficult or impossible for Company Shareholders in the United States to effect service of process within the United States upon MTS or BCE, their respective officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

MTS and BCE have been advised by external counsel that there is doubt as to whether a Canadian court: (i) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (ii) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

Company Shareholders that are United States taxpayers are advised to consult their independent tax advisors regarding the U.S. federal, state, local and foreign tax consequences to them of participating in the Arrangement.

BCE is subject to the reporting requirements of the U.S. Exchange Act and files annual and current reports with the United States Securities and Exchange Commission (the "**SEC**"). Such documents may be obtained by visiting the SEC's Electronic Data Gathering, Analysis and Retrieval system ("**EDGAR**") website at www.sec.gov.

CURRENCY

All currency amounts referred to in this information circular, unless otherwise stated, are expressed in Canadian dollars. In this information circular, references to "U.S. dollars" and "U.S.$" are to United States dollars.

If you are a Registered Shareholder, and you elect (or are deemed to elect) to receive Cash Consideration, subject to proration and rounding, you will receive such Cash Consideration in Canadian dollars unless you exercise the right to elect in your Letter of Transmittal and Election Form to receive the Cash Consideration that you are entitled to

receive in respect of your Company Shares in U.S. dollars. If you do not make such an election in your Letter of Transmittal, you will receive payment in Canadian dollars, subject to proration and rounding. See "The Arrangement — Arrangement Mechanics".

If you are a Non-Registered Shareholder, and you elect (or are deemed to elect) to receive Cash Consideration, subject to proration and rounding, you will receive the Cash Consideration that you are entitled to receive in Canadian dollars unless you contact the intermediary in whose name your Company Shares are registered and request that the intermediary make an election on your behalf. If your intermediary does not make such an election on your behalf, you will receive payment in Canadian dollars, subject to proration and rounding. See "The Arrangement — Arrangement Mechanics".

The exchange rate that will be used to convert payments from Canadian dollars into U.S. dollars will be the rate established by Computershare Trust Company of Canada, in its capacity as foreign exchange service provider to BCE, on the date the funds are converted, which rate will be based on the prevailing market rate on the date the funds are converted. The risk of any fluctuations in such rate, including risks relating to the particular date and time at which funds are converted, will be solely borne by the Company Shareholder. Computershare Trust Company of Canada will act as principal in such currency conversion transactions conducted for BCE and may earn a commercially reasonable spread between the exchange rate it uses to convert payments and the rate used by any counterparty from which it may purchase U.S. currency as reasonable compensation for its services to BCE as foreign exchange service provider.

FORWARD-LOOKING STATEMENTS

Statements and information are forward-looking when they use what MTS or BCE knows and expects today to make a statement about the future. Forward-looking statements may be identified by the use of words such as *aim, anticipate, assumption, believe, could, expect, goal, guidance, intend, may, objective, outlook, plan, project, seek, should, strategy, strive, target* and *will* and similar expressions related to matters that are not historical facts.

This information circular and its appendices, including the documents incorporated by reference, contain forward-looking statements and information including, but not limited to, those relating to the Arrangement, information concerning MTS and BCE, and other statements that are not historical facts. Furthermore, certain statements made herein, including, but not limited to, the satisfaction of the conditions to complete the Arrangement, obtaining Required Shareholder Approval, Required Regulatory Approvals and other approvals, including obtaining the Final Order and BCE obtaining the necessary Stock Exchange Approvals for the listing of BCE Common Shares in connection with the Share Consideration under the Arrangement, the anticipated Effective Date of the Arrangement, the anticipated effects and benefits of the Arrangement, including long term growth and prosperity in the Province of Manitoba, the Consideration to be received by Company Shareholders, which may fluctuate in value due to BCE Common Shares forming part of the Consideration and the Consideration not being as elected by Company Shareholders due to proration and rounding, the *pro forma* capitalization of BCE after giving effect to the Arrangement, the treatment of Company Shareholders under applicable tax laws, the expectation that information about United States tax consequences of the Arrangement will be provided prior to the Election Deadline, the expected sources for funding the payment of the Cash Consideration to be received by Company Shareholders and the Company's expectation that sufficient funds will be available through its existing credit facilities as at the Effective Date to meet its payment obligations pursuant to the Plan of Arrangement, the anticipated timing with respect to the mailing of the Letter of Transmittal and Election Form, and BCE's dividend policy and other statements that are not historical facts, are also forward-looking statements and information. All such forward-looking statements and information are subject to important risks, uncertainties and assumptions. These statements and information are forward-looking because they are based on MTS' and BCE's current expectations, estimates and assumptions. All such forward-looking statements and information are made pursuant to the "safe harbor" provisions of applicable Canadian securities laws and of the United States *Private Securities Litigation Reform Act of 1995*. It is important to know that:

- unless otherwise indicated, forward-looking statements and information in this information circular and its appendices describe MTS' expectations as at May 26, 2016 and accordingly, are subject to change after such date;

- MTS' and BCE's actual results and events could differ materially from those expressed or implied in the forward-looking statements and information in this information circular and its appendices, including the documents incorporated by reference, if known or unknown risks affect their respective businesses or the Arrangement, or if their estimates or assumptions turn out to be inaccurate. As a result, MTS and BCE cannot guarantee that the results or events expressed or implied in any forward-looking statement and information will materialize, and accordingly, you are cautioned not to place undue reliance on these forward-looking statements and information; and

- MTS and BCE disclaim any intention and assume no obligation to update or revise any forward-looking statement or information, herein or in any document incorporated by reference, even if new information becomes available, as a result of future events or for any other reason, except in accordance with applicable Canadian securities laws.

MTS and BCE made a number of assumptions with respect to the forward-looking statements and information in this information circular and its appendices, including the documents incorporated by reference. In particular, in making these forward-looking statements and information, MTS and BCE have assumed, among other things, that the Arrangement will receive (i) the Required Shareholder Approval, (ii) the Final Order, (iii) the CRTC Approval; (iv) the ISED Approval; (v) the Competition Act Clearance; and (vi) the Stock Exchange Approvals, and that the other conditions to the Arrangement will be satisfied on a timely basis in accordance with their terms. The anticipated timing provided herein in connection with the Arrangement may change for a number of reasons, including unforeseen delays, the inability to secure the necessary approvals referred to above or other third party approvals in the time assumed or the need for additional time to satisfy the other conditions necessary to complete the Arrangement.

Certain factors could cause actual results or events to differ materially from the results or events expressed or implied in the forward-looking statements and information in this information circular and its appendices, including the documents incorporated by reference. For a discussion regarding such risks, see "Risk Factors".

SUMMARY

The following is a summary of certain information contained elsewhere in this information circular and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this information circular, including the Appendices and documents that are incorporated by reference. The capitalized terms used in this document are defined in the "Glossary" starting on page 99.

The Arrangement

Pursuant to the Arrangement, Purchaser Subco will acquire all of the issued and outstanding Company Shares, in consideration of which Company Shareholders will be entitled to receive at such Company Shareholder's election, for his, her or its Company Shares, either (i) $40.00 in cash per Company Share; or (ii) 0.6756 of a BCE Common Share per Company Share, subject to proration (where Company Shareholders collectively elect or are deemed to have elected, as applicable, to receive more than the Maximum Cash Consideration or the Maximum Share Consideration) and rounding. Under the Arrangement, Company Shareholders will receive, in the aggregate, cash in respect of 45% of the issued and outstanding Company Shares (or approximately $1.336 billion based on the issued and outstanding Company Shares as of May 25, 2016) and BCE Common Shares in respect of 55% of the issued and outstanding Company Shares. See "The Arrangement".

The Arrangement will be implemented by way of a court-approved plan of arrangement under the MCA pursuant to the terms of the Arrangement Agreement. The Plan of Arrangement is attached to this information circular as Appendix "B". See "The Arrangement".

The Company Meeting

The Company Meeting will be held at the Provencher Ballroom at the Fort Garry Hotel (222 Broadway, Winnipeg, Manitoba, R3C 0R3), at 9:00 a.m. (Manitoba time) on June 23, 2016. The business of the Company Meeting will be to consider and, if thought appropriate, to pass, with or without variation, the Arrangement Resolution, the full text of which is set forth at Appendix "A".

Company Shareholders may also be asked to consider other business that properly comes before the Company Meeting.

See "Information Concerning the Company Meeting and Voting".

The Purchaser – BCE Inc.

BCE is Canada's largest communications company, providing residential, business and wholesale customers with a wide range of solutions to all their communications needs, including the following: wireless, television (TV), Internet, home phone, and small and medium-sized business and large enterprise communication services. Bell Media Inc. is a diversified Canadian multimedia company that holds assets in TV, radio, digital media and out-of-home advertising. BCE reports the results of its operations in three segments: Bell Wireless, Bell Wireline and Bell Media. See "Information Concerning BCE".

Background to the Arrangement

The provisions of the Arrangement Agreement are the result of arm's length negotiations conducted between MTS and BCE and their respective representatives and advisors. See "The Arrangement — Background to the Arrangement".

Recommendation of the Board

In making its determinations and arriving at its recommendation, the Board considered and relied upon a number of substantive factors and considered a variety of uncertainties, risks and other potentially negative factors concerning the Arrangement and the Arrangement Agreement (which the Board unanimously concluded were outweighed by the potential benefits of the Arrangement). See "The Arrangement — Reasons for the Recommendation of the Board".

Having undertaken a thorough and thoughtful review of, and carefully considered, information concerning MTS, BCE and the Arrangement, and after consulting with independent financial and legal advisors, the Board has unanimously determined that the Arrangement is in the best interests of MTS (considering the interests of all affected stakeholders) and is fair to the Company Shareholders and unanimously recommends that Company Shareholders vote **FOR** the Arrangement.

Fairness Opinions

In connection with the evaluation by the Board of the Arrangement, the Board received a Fairness Opinion from each of Barclays, CIBC and TD Securities in respect of the fairness, from a financial point of view, of the Consideration to be received by Company Shareholders pursuant to the Arrangement. A summary of each Fairness Opinion is included in this information circular, and the full text of the respective Fairness Opinions, which sets forth, among other things, assumptions made, matters considered, information reviewed and limitations on the review undertaken by each of Barclays, CIBC and TD Securities in connection with delivery of their respective Fairness Opinions, is attached at Appendix "C", Appendix "D" and Appendix "E", respectively. Each of the Fairness Opinions was provided solely for the use of the Board in connection with their consideration of the Arrangement and is not a recommendation as to how Company Shareholders should vote in respect of the Arrangement Resolution. See "The Arrangement — Fairness Opinions".

Interests of Certain Persons in the Arrangement

In considering the recommendations of the Board with respect to the Arrangement, Company Shareholders should be aware that directors and officers of MTS have certain interests in connection with the Arrangement that may be in addition to, or separate from, those of Company Shareholders generally in connection with the Arrangement, in the form of payments under existing employment agreements and related incentive arrangements with MTS (in the case of officers) or in the form of payments under the directors' deferred compensation arrangements (in the case of directors), in either case, that may be applicable as a result of the Arrangement. The Board is aware of these interests and considered them along with other matters described herein. See "The Arrangement — Interests of Certain Persons in the Arrangement".

Support and Voting Agreements

Each of the directors and officers of MTS entered into separate support and voting agreements with BCE in connection with the Arrangement. Such directors and officers beneficially own, directly or indirectly, or exercise control or direction over, in the aggregate, 35,878 Company Shares as at May 20, 2016, which represent approximately 0.05% of the issued and outstanding Company Shares. See "The Arrangement — Support and Voting Agreements".

Required Shareholder Approval

The approval of the Arrangement Resolution will require the affirmative vote of not less than $66^{2}/_{3}\%$ of the votes cast by the Company Shareholders present in person or represented by proxy at the Company Meeting and entitled to vote. The Arrangement Resolution must receive Company Shareholder approval in order for MTS to seek the Final Order and complete the Arrangement on the Effective Date in accordance with the Final Order and the Arrangement Agreement. See "The Arrangement — Required Shareholder Approval".

Consideration to be Received by Company Shareholders Under the Arrangement

Under the Arrangement, each Company Shareholder (other than Dissenting Holders) will be entitled to receive at such Company Shareholder's election, for his, her or its Company Shares, either (i) $40.00 in cash per Company Share; or (ii) 0.6756 of a BCE Common Share per Company Share, subject to proration (where Company Shareholders collectively elect or are deemed to have elected, as applicable, to receive more than the Maximum Cash Consideration or the Maximum Share Consideration) and rounding.

Any Company Shareholder that fails to properly make an election on or prior to the Election Deadline will be deemed to have elected to dispose of, subject to proration and rounding, such Company Shareholder's Company Shares solely for the Cash Consideration.

See "The Arrangement — Effect of the Arrangement" and "The Arrangement — Arrangement Mechanics". See also "Risk Factors – Risks Relating to the Arrangement".

Certain Legal and Regulatory Matters

Completion of the Arrangement is subject to the conditions precedent contained in the Arrangement Agreement having been satisfied, including receipt of the following:

- the Required Shareholder Approval;
- the Final Order;
- the Stock Exchange Approvals;
- the CRTC Approval;
- the Competition Act Clearance; and
- the ISED Approval.

See "Certain Legal and Regulatory Matters — Competition Act Clearance", "Certain Legal and Regulatory Matters — CRTC Approval", "Certain Legal and Regulatory Matters — ISED Approval" and "Certain Legal and Regulatory Matters – Securities Law Matters – Stock Exchange Approvals".

On May 25, 2016, prior to the mailing of this information circular, the Interim Order was granted providing for the calling and holding of the Company Meeting and certain other procedural matters. A copy of the Interim Order is attached as Appendix "G". It is expected that, subject to the approval of the Arrangement Resolution by the Company Shareholders at the Company Meeting, the hearing on the application for the Final Order will occur shortly after the Company Meeting. At the hearing on the Final Order, the Court will determine whether to approve the Arrangement in accordance with the legal requirements and the evidence before the Court. The hearing of the application for the Final Order is expected to take place on June 29, 2016 at 10:00 a.m. (Manitoba time) at the Law Courts Complex, 408 York Avenue, Winnipeg, Manitoba.

Except as otherwise provided in the Arrangement Agreement, MTS will file the Articles of Arrangement with the Director, and cause the Effective Date to occur, under the MCA on the eighth (8^{th}) Business Day, after the satisfaction or, where not prohibited, waiver of the conditions set forth in the Arrangement Agreement (other than those which by their terms are to be satisfied on the Effective Date) unless another time or date is agreed to by MTS and BCE. See "Certain Legal and Regulatory Matters — Steps to Implementing the Arrangement and Timing".

Non-Solicitation Provisions

Pursuant to the Arrangement Agreement, MTS agreed that it shall not, directly or indirectly, through any Representatives of MTS or of any of its Subsidiaries: (i) solicit, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of MTS or any Subsidiary) any inquiry, proposal or

offer that constitutes or may reasonably be expected to constitute, an Acquisition Proposal; (ii) enter into or otherwise engage or participate in any negotiations or meaningful discussions with any Person (other than with BCE or any Person acting jointly or in concert with BCE) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute, an Acquisition Proposal; (iii) make a Change in Recommendation; (iv) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend any Acquisition Proposal, or take no position or remain neutral with respect to any publicly announced Acquisition Proposal; or (v) approve, recommend or enter into (other than a confidentiality agreement permitted by and in accordance with the Arrangement Agreement) or publicly propose to enter into any agreement in respect of an Acquisition Proposal. See "Summary of Arrangement Agreement — Additional Covenants Regarding Non-Solicitation — Non-Solicitation".

Right to Match

If MTS receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by Company Shareholders, the Board may, or may cause MTS to, make a Change in Recommendation and approve, recommend or enter into a definitive agreement with respect to such Superior Proposal, if and only if: (i) MTS has been, and continues to be, in compliance with its non-solicitation obligations under the Arrangement Agreement; (ii) MTS or its Representatives have delivered to BCE a Superior Proposal Notice; (iii) MTS or its Representatives have provided to BCE a copy of any proposed definitive agreement for the Superior Proposal; (iv) the Matching Period has elapsed; (v) after the Matching Period, the Board has determined in good faith, after consultation with its legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal; and (vi) prior to or concurrently with making a Change in Recommendation or entering into such definitive agreement MTS terminates the Arrangement Agreement and pays the Company Termination Fee pursuant to the Arrangement Agreement. See "Summary of Arrangement Agreement — Additional Covenants Regarding Non-Solicitation — Right to Match".

Company Termination Fee and Reverse Termination Fee

The Arrangement Agreement provides that a Company Termination Fee in the amount of $120,000,000 is payable by MTS to BCE if the Arrangement Agreement is terminated in certain circumstances, including if MTS terminates the Arrangement Agreement in the context of a Superior Proposal or if the Board makes a Change in Recommendation, except for a Change in Recommendation in connection with a Purchaser Material Adverse Effect.

The Arrangement Agreement provides that a Reverse Termination Fee in the amount of $120,000,000 is payable by BCE to MTS in certain circumstances, including (i) if the Arrangement Agreement is terminated because an Award with respect to Competition Act matters, or matters relating to the CRTC Approval or the ISED Approval, has been made that precludes consummation of the Arrangement or prevents satisfaction of certain conditions precedent relating to the Required Regulatory Approvals, or (ii) if the Arrangement Agreement is terminated at the Outside Date and (a) the Required Regulatory Approvals have not been obtained, or (b) there is an Award in force relating to Competition Act matters, or matters relating to the CRTC Approval or the ISED Approval, or (c) there is an Award in force which would result in a Company Material Adverse Effect, or there is an Action pending or threatened (other than frivolous or vexatious Actions) against or involving the Company or its Subsidiaries that, if decided against the Company or its Subsidiaries, would result in a Company Material Adverse Effect, and in each case the other conditions of Closing in favour of the Purchaser are satisfied or are reasonably expected to be satisfied or have been waived (disregarding those conditions that are, by their terms, to be satisfied on the Effective Date and are reasonably capable of being satisfied, conditions that would otherwise lead to payment of a Reverse Termination Fee if they are not satisfied, and conditions that have not been satisfied as a result of a breach by the Purchaser of its obligations under the Arrangement Agreement), or (iii) if the Arrangement Agreement is terminated because of a final and non-appealable Award that requires a Material Remedy. See "Summary of Arrangement Agreement - Termination Fees".

Dissenting Holders Rights

Registered Shareholders are entitled to exercise Dissent Rights by providing written notice to the Company at or before 5:00 p.m. (Manitoba time) on June 21, 2016 (or not later than 5:00 p.m. (Manitoba time) on the day which is two Business Days immediately preceding the date that any adjourned or postponed meeting of Company

Shareholders is reconvened or held, as the case may be) in the manner described under the heading "Dissenting Holders' Rights". Failure to strictly comply with these dissent procedures may result in the loss or unavailability of Dissent Rights. If a Registered Shareholder dissents, and the Arrangement is completed, the Dissenting Holder is entitled to be paid the "fair value" of its Dissenting Shares as of the close of business on the day before the day the Arrangement Resolution is adopted. This amount may be the same as, more than or less than the Consideration under the Arrangement. Only Registered Shareholders are entitled to dissent. Company Shareholders should read carefully the information in this Circular under the heading "Dissenting Holders' Rights" if they wish to exercise Dissent Rights.

Certain Canadian Federal Income Tax Considerations

This information circular contains a summary of the principal Canadian federal income tax considerations relevant to Company Shareholders with respect to the Arrangement and the comments below, which are generally applicable to Company Shareholders who are resident in Canada for purposes of the Tax Act, are qualified in their entirety by reference to such summary. See "Certain Canadian Federal Income Tax Considerations".

The Arrangement contemplates that a Company Shareholder may elect to exchange all of his, her or its Company Shares for Cash Consideration or Share Consideration. Pursuant to the Arrangement there is a fixed amount of Cash Consideration that will be paid to, and a fixed number of BCE Common Shares that will be issued to, Company Shareholders (depending on the number of Company Shares outstanding at the Effective Time) and, accordingly, a Company Shareholder may receive a combination of Cash Consideration and Share Consideration for each of his, her or its Company Shares notwithstanding the election such Company Shareholder makes in his, her or its Letter of Transmittal and Election Form.

The tax consequences to a Company Shareholder in respect of the exchange of a Company Shareholder's Company Shares will depend on whether the Company Shares are exchanged for Cash Consideration, Share Consideration or a combination of Cash Consideration and Share Consideration:

(i) a Company Shareholder who exchanges Company Shares for Cash Consideration pursuant to the Arrangement will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Company Shareholder's Company Shares immediately before the exchange;

(ii) a Company Shareholder who exchanges Company Shares for a combination of Share Consideration and Cash Consideration (as a result of proration or as a result of a deemed election) pursuant to the Arrangement and who does not make a valid Tax Election, will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Company Shareholder's Company Shares immediately before the exchange; and

(iii) a Company Shareholder who exchanges Company Shares solely for Share Consideration (except for cash in lieu of a fractional share, if applicable), and who does not make a valid Tax Election will be entitled to the automatic tax deferral provided for in subsection 85.1(1) of the Tax Act, unless such Company Shareholder chooses to recognize a capital gain or capital loss on the exchange.

An Eligible Holder who receives Share Consideration only or a combination of Cash Consideration and Share Consideration (as a result of proration or as a result of a deemed election) under the Arrangement may obtain a full or partial tax deferral in respect of the disposition of Company Shares by filing with the CRA (and, where applicable, with a provincial tax authority) a joint election made by the Eligible Holder and Purchaser Subco under subsection 85(1) of the Tax Act (or, in the case of a partnership, under subsection 85(2) of the Tax Act, provided all members of the partnership jointly elect) and the corresponding provisions of any applicable provincial tax legislation.

Note: A Company Shareholder who elects to receive Share Consideration, but, because of proration, receives a combination of Share Consideration and Cash Consideration, will be required to make a joint election under subsections 85(1) or 85(2) of the Tax Act and the corresponding provisions of any applicable provincial tax legislation, in order to obtain a full or partial tax deferral.

For a more detailed discussion of the Canadian federal income tax consequences of the Arrangement, please see the discussion under the heading "Certain Canadian Federal Income Tax Considerations".

Other Tax Considerations

This information circular does not address any tax considerations of the Arrangement other than certain Canadian federal income tax considerations to Company Shareholders. No tax advice or opinion whatsoever is being provided in this information circular to Company Shareholders who are resident in jurisdictions other than Canada (including Company Shareholders that are United States taxpayers). The tax implications of the Arrangement for Company Shareholders who are resident in jurisdictions other than Canada may be materially different than as set out under the heading "Certain Canadian Federal Income Tax Considerations". It is anticipated that information about United States tax consequences, which are not currently determinable, will be provided prior to the Election Deadline. Accordingly, Company Shareholders who are resident in jurisdictions other than Canada (including Company Shareholders that are United States taxpayers) are urged to consult their own independent tax advisors with respect to the relevant tax implications of the Arrangement and for advice regarding the specific tax considerations applicable to them, including, without limitation, any associated filing requirements, in such jurisdictions.

All Company Shareholders should consult their own independent tax advisors regarding relevant federal, state, provincial, territorial or other tax considerations of the Arrangement having regard to their own circumstances. See "Risk Factors".

Risk Factors

There is a risk that the Arrangement may not be completed. If the Arrangement is not completed, the Company will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Additionally, failure to complete the Arrangement could materially and negatively impact the trading price of the Company Shares. The risk factors described under "Risk Factors" should be carefully considered by Company Shareholders.

FREQUENTLY ASKED QUESTIONS

The following questions and answers about the Company Meeting, voting thereat, and the Arrangement are designed to help you understand such matters in more detail.

About the Company Meeting

Why did I receive this package of information?

BCE has agreed to acquire all of the issued and outstanding Company Shares pursuant to the Plan of Arrangement. This acquisition is subject to, among other things, obtaining the Required Shareholder Approval. As a Company Shareholder as of the close of business on May 20, 2016, you are entitled to receive notice of and vote at the Company Meeting. We are soliciting your proxy, or vote, and providing this information circular in connection with that solicitation.

What is this document?

This document is an information circular furnished to Company Shareholders in connection with the solicitation of proxies by and on behalf of the Board and management of the Company for use at the Company Meeting or at any adjournments or postponements thereof. The information circular provides additional information respecting the Arrangement. References in this information circular to the Company Meeting include any adjournments or postponements that may occur.

Who is soliciting my proxy?

Your proxy is being solicited by and on behalf of MTS' management and the Board for use at the Company Meeting or any adjournment(s) or postponement(s) thereof. It is expected that the solicitation will be made primarily by mail, but proxies may also be solicited by telephone, over the Internet, in writing or in person. We have retained D.F. King to solicit proxies for us at an estimated cost of $100,000. Such costs will be borne by BCE, and BCE has also agreed to reimburse out-of-pocket expenses of D.F. King. MTS and D.F. King have each agreed to indemnify each other against certain liabilities arising out of or in connection with such engagement. See "Information Concerning the Company Meeting and Voting – Solicitation of Proxies".

When and where is the Company Meeting?

The Company Meeting will be held at the Provencher Ballroom at the Fort Garry Hotel (222 Broadway, Winnipeg, Manitoba, R3C 0R3), at 9:00 a.m. (Manitoba time) on June 23, 2016.

What am I being asked to vote on?

You are being asked to vote on the Arrangement Resolution to approve the Plan of Arrangement, which provides for, among other things, the acquisition by BCE of all of the issued and outstanding Company Shares.

Does the Board of Directors of MTS support the Arrangement?

Yes. After careful consideration by the Board, the Board has unanimously concluded that the Arrangement is in the best interests of MTS (considering the interests of all affected stakeholders) and is fair to the Company Shareholders, and unanimously recommends that the Company Shareholders vote **FOR** the Arrangement.

In making its recommendation, the Board considered a number of factors, including, amongst other things, opinions from each of Barclays, CIBC and TD Securities, to the effect that, as of the date of such opinion, the Consideration to be received by Company Shareholders is fair, from a financial point of view, to the Company Shareholders.

Who is entitled to vote on the Arrangement Resolution at the Company Meeting and how will votes be counted?

All Company Shareholders as of the close of business on May 20, 2016 (the "**Record Date**") are entitled to vote on the Arrangement Resolution at the Company Meeting. Computershare Investor Services Inc., MTS' transfer agent and registrar, will count the votes.

When must I be a Company Shareholder in order to be entitled to vote?

You need to be a Company Shareholder as of the Record Date, to be entitled to receive notice of, attend, be heard and vote at the Company Meeting.

What if I acquire ownership of Company Shares after May 20, 2016?

Only Company Shareholders as of the close of business on the Record Date are entitled to receive notice of, attend, be heard and vote at the Company Meeting.

How can I vote my Company Shares?

You can vote your Company Shares either by attending the Company Meeting and voting your Company Shares at the Company Meeting or, if you cannot attend the Company Meeting, by having your Company Shares voted by proxy in accordance with the instructions set out on the accompanying form of proxy.

If you were a Registered Shareholder as of the close of business on the Record Date, you can attend and vote at the Company Meeting. If you cannot attend the Company Meeting in person, please carefully follow the instructions provided in the enclosed form of proxy in order to vote.

If you are a Non-Registered Shareholder (meaning that your Company Shares are held on your behalf, or for your account, by a broker, investment dealer, bank, trust company or other Intermediary), please carefully follow the instructions provided by such Intermediary in order to vote.

See "Information Concerning the Company Meeting and Voting" for more information on voting your Company Shares.

Are there any voting restrictions?

There are ownership restrictions on the Company Shares in the articles of amalgamation of the Company dated August 3, 2004 (the "**Company Articles**"), as well as under applicable law. These restrictions: (i) limit each person or company (except for the Crown in right of the Province of Manitoba) from owning, directly or indirectly, more than 20% of the Company Shares; (ii) limit the number of non-residents of Canada that beneficially own Company Shares to no more than, in the aggregate, the maximum percentage of the total number of issued and outstanding Company Shares permitted by applicable law from time to time; and (iii) prohibit any government or government agency other than the Crown in the right of the Province of Manitoba from owning any Company Shares (however, a person or corporation or any other entity established or maintained to invest funds under a pension plan or an insurance or annuity arrangement is excluded from this restriction). These ownership restrictions will be eliminated through the implementation of the Plan of Arrangement if, and when, the Arrangement is completed.

If any of these limits or restrictions are contravened, we have the right to require the Registered Shareholders to dispose of the Company Shares that are in excess of the limit or restriction within a prescribed period. If the excess Company Shares have not been disposed of within such prescribed period, then, during the period of contravention, no voting rights attached to the Company Shares may be exercised, and we or our nominee may purchase for cancellation from the Registered Shareholder, who will be required to sell, the number of Company Shares beneficially owned in contravention of any of the limits or restrictions described above.

What is the quorum for the Company Meeting?

For all purposes contemplated by this information circular, the quorum for the transaction of business at the Company Meeting shall be persons present not being less than two in number and holding or representing by proxy not less than 10% of the issued and outstanding Company Shares entitled to be voted at the Company Meeting.

How many Company Shares are entitled to vote?

Our authorized share capital consists of an unlimited number of Company Shares of a single class, and an unlimited number of preference shares of two classes. As at May 20, 2016, our issued and outstanding share capital consisted of 74,195,160 Company Shares. There are no outstanding preference shares. Each Company Share carries the right to one vote.

Am I entitled to Dissent Rights?

Pursuant to the Interim Order, Registered Shareholders have a right to dissent in respect of the Arrangement Resolution. Registered Shareholders who properly exercise their Dissent Rights will be entitled to be paid the fair value of their Company Shares. This amount may be the same as, more than or less than the Consideration provided under the Arrangement. A Registered Shareholder who wishes to dissent must provide written notice to the Company, to be received not later than 5:00 p.m. (Manitoba time) on June 21, 2016 (or not later than 5:00 p.m. (Manitoba time) on the day which is two Business Days immediately preceding the date that any adjourned or postponed meeting of Company Shareholders is reconvened or held, as the case may be) in the manner described under the heading "Dissenting Holders' Rights". It is important that you strictly comply with this requirement otherwise your Dissent Rights may not be recognized. You must also strictly comply with the other requirements of the dissent procedures. Only Registered Shareholders may exercise Dissent Rights. See "Dissenting Holders' Rights".

What if amendments are made to these matters or other business is brought before the Company Meeting?

The accompanying form of proxy confers discretionary authority on the persons named therein as proxies with respect to any amendments or variations to the matters identified in the Notice of Meeting or other matters that may properly come before the Company Meeting and the named proxies in your properly executed proxy will vote on such matters in accordance with their judgment. At the date of this information circular, management of the Company is not aware of any such amendments, variations or other matters which are to be presented for action at the special meeting of Company Shareholders.

About the Arrangement

What is a plan of arrangement?

A plan of arrangement is a statutory procedure under Manitoba corporate law that allows companies to carry out transactions with the approval of its shareholders and the Court. The Plan of Arrangement that you are being asked to consider will provide for, among other things, the acquisition by BCE of all of the issued and outstanding Company Shares.

I own Company Shares. What will I receive if the Arrangement is completed?

Pursuant to the Arrangement, Purchaser Subco will acquire all of the issued and outstanding Company Shares, in consideration of which Company Shareholders will be entitled to receive, at the election of each Company Shareholder, subject to proration and rounding, either (i) $40.00 in cash per Company Share; or (ii) 0.6756 of a BCE Common Share per Company Share. The elections made by holders of Company Shares will be subject to proration if Company Shareholders collectively elect or are deemed to have elected to, as applicable, receive more than the Maximum Cash Consideration or the Maximum Share Consideration. Under the Arrangement, Company Shareholders will receive, in the aggregate, cash in respect of 45% of the issued and outstanding Company Shares (or approximately $1.336 billion based on the issued and outstanding Company Shares as of May 25, 2016) and

BCE Common Shares in respect of 55% of the issued and outstanding Company Shares. See "Risk Factors – Risks Relating to the Arrangement".

What premium does the Cash Consideration offered for the Company Shares represent?

The Cash Consideration represents a 23.2% premium to the volume-weighted average closing price of the Company Shares on the TSX for the 20 trading day period ending April 29, 2016, the last trading day prior to the announcement of the Arrangement, and a 40% premium to the closing price of the Company Shares of $28.59 on November 20, 2015, the last trading day prior to the announcement by MTS of the sale of its Allstream business.

How do I make the election?

If you are a Registered Shareholder, you make an election to receive, in respect of your Company Shares, either the Cash Consideration or the Share Consideration, by depositing with the Depositary, on or prior to the Election Deadline, a duly completed Letter of Transmittal and Election Form indicating your election, together with, as applicable, any Company Share certificate(s). If you are a Non-Registered Shareholder, you should carefully follow the instructions from the Intermediary that holds Company Shares on your behalf.

Provided Company Shareholders approve the Arrangement Resolution and the Final Order is granted, then we will send you a Letter of Transmittal and Election Form following payment of the second quarter 2016 dividend explaining how you can deposit and obtain payment for your Company Shares once the Arrangement is completed. The Letter of Transmittal and Election Form will also be available on our website at www.mts.ca/investors as well as under MTS' profile on SEDAR at www.sedar.com or by contacting the Depositary.

The Letter of Transmittal and Election Form must be received by the Depositary on or prior to the Election Deadline. The Election Deadline will be 5:00 p.m. (Toronto time) on the date that is three Business Days prior to the Effective Date, unless otherwise agreed in writing by MTS and BCE. MTS will provide at least four Business Days' notice of the Election Deadline by means of a press release disseminated over newswire services in Canada. Any Letter of Transmittal and Election Form, once deposited with the Depositary, will be irrevocable and may not be withdrawn by a Company Shareholder.

What happens if I do not make an election?

If you are a Company Shareholder (other than a Dissenting Holder) and do not deposit with the Depositary a properly completed and duly executed Letter of Transmittal and Election Form together with the certificates representing your Company Shares (if you are a Registered Shareholder), or otherwise fail to properly make an election through your Intermediary (if you are a Non-Registered Shareholder), on or prior to the Election Deadline, you will be deemed to have elected to receive the Cash Consideration, subject to proration (where Company Shareholders collectively elect or are deemed to have elected, as applicable, to receive more than the Maximum Cash Consideration).

Am I guaranteed to receive what I elected?

No. Any election by a Company Shareholder is subject to proration and rounding. Company Shareholders will receive, in the aggregate, cash in respect of 45% of the issued and outstanding Company Shares (or approximately $1.336 billion based on the issued and outstanding Company Shares as of May 25, 2016) and in BCE Common Shares in respect of 55% of the issued and outstanding Company Shares. See "Risk Factors – Risks Relating to the Arrangement". In no event will a Company Shareholder be entitled to receive a fractional BCE Common Share; Company Shareholders will receive a cash payment in respect of any fractional BCE Common Share, to which Company Shareholders are entitled.

Can BCE change the allocation of Cash Consideration and Share Consideration?

No. Company Shareholders who have elected to receive either Cash Consideration or Share Consideration may receive a combination of Cash Consideration and Share Consideration due to proration (where Company Shareholders collectively elect or are deemed to have elected, as applicable, to receive more than the Maximum Cash Consideration or the Maximum Share Consideration) and rounding, but BCE cannot change the aggregate allocation of Cash Consideration (45%) and Share Consideration (55%).

Will the ownership restrictions contained in the Company Articles be removed in connection with the Plan of Arrangement?

Yes. Pursuant to, and in accordance with, the Plan of Arrangement, the ownership restrictions contained in the Company Articles will be amended to remove such restrictions thereby allowing BCE to acquire all of the issued and outstanding Company Shares.

When will the Arrangement be completed?

It is presently anticipated that the Arrangement will be completed late in 2016 or early 2017. However, completion of the Arrangement is dependent on many factors outside of MTS and/or BCE's control and it is not possible at this time to determine precisely when or if the Arrangement will become effective.

When must I be a Company Shareholder in order to receive the Consideration for my Company Shares?

You need to be a Company Shareholder at 12:01 a.m. (Manitoba time) on the date that the Arrangement is completed.

When will I receive the Consideration for my Company Shares?

You will receive the Consideration for your Company Shares as soon as practicable after the Arrangement is completed, provided you have sent all of the necessary documentation to the Depositary.

What will I have to do as a Company Shareholder to receive the Consideration for my Company Shares?

If you are a Registered Shareholder, you will receive a Letter of Transmittal and Election Form that you must complete and send with the certificate(s) (if applicable) representing your Company Shares to the Depositary. The Depositary will mail you a cheque and/or a direct registration system statement by first class mail as soon as practicable after the Effective Date or upon receipt of your completed Letter of Transmittal and Election Form and of your Company Share certificate(s).

If you are a Non-Registered Shareholder, you will receive your payment through your account with your broker, investment dealer, bank, trust company or other Intermediary that holds Company Shares on your behalf. You should contact your Intermediary if you have questions about this process.

Should I send my Company Share certificate(s) to the Depositary now?

No. Provided Company Shareholders approve the Arrangement Resolution and the Final Order is granted, then we will send you a Letter of Transmittal and Election Form following payment of the second quarter 2016 dividend explaining how you can deposit and obtain payment for your Company Shares once the Arrangement is completed. The Letter of Transmittal and Election Form will also be available on our website at www.mts.ca/investors, on our profile on SEDAR at www.sedar.com or by contacting the Depositary.

About Approval of the Arrangement

What approvals are required for the Arrangement to become effective?

Completion of the Arrangement is subject to, among other things, the receipt of (i) the Required Shareholder Approval, (ii) the Final Order, (iii) the CRTC Approval, (iv) the Competition Act Clearance, (v) the ISED Approval and (vi) the Stock Exchange Approvals.

What is the Required Shareholder Approval?

The approval of the Arrangement Resolution will require the affirmative vote of not less than $66^{2}/_{3}\%$ of the votes cast by the Company Shareholders present in person or represented by proxy at the Company Meeting.

How will I know when all required approvals have been received?

MTS plans to issue a press release once all the necessary approvals have been received and conditions to the completion of the Arrangement have been satisfied or waived.

What happens if the Company Shareholders do not approve the Arrangement?

If MTS does not receive the required vote by Company Shareholders in favour of the Arrangement Resolution, the Arrangement will not become effective. Additionally, BCE is not required to complete the Arrangement if Company Shareholders have exercised their Dissent Rights in connection with the Arrangement with respect to more than 15% of the outstanding Company Shares. Failure to complete the Arrangement could have a material negative effect on the market price of the Company Shares. Further, depending on the circumstances in which termination of the Arrangement Agreement occurs, we may have to pay the Company Termination Fee. See "Risk Factors" and "Summary of the Arrangement Agreement – Termination Fees".

About Company Shares, Dividends, Company Options, DCUs, RSUs and PSUs

Will the Company Shares continue to be listed on the TSX after the Arrangement?

No. If the Arrangement is completed, all of the Company Shares will be owned by BCE, and MTS expects the Company Shares to be delisted from the TSX promptly after the Company Shares are acquired by BCE.

Will MTS continue to pay dividends until the completion of the Arrangement?

Other than the second quarter 2016 dividend declared on May 11, 2016, which dividend is expected to be paid on or about July 15, 2016 to Company Shareholders of record as at the close of business on June 15, 2016, the Board will not declare or approve the payment of any dividends or any other distributions (whether in cash, shares or property) on any of the Company Shares through to the completion of the Arrangement.

I hold Company Options. What will happen to my Company Options under the Arrangement?

Each outstanding Company Option, whether vested or unvested, with an exercise price lower than $40.00 will be deemed to be assigned and transferred to MTS and cancelled by MTS and, in consideration for such Company Option, MTS will pay to the Company Option holder a cash amount equal to the amount by which the Cash Consideration exceeds the exercise price of such Company Option, and each such Company Option shall immediately be cancelled. Each outstanding Company Option, whether vested or unvested, with an exercise price equal to or greater than $40.00 will be deemed to be assigned and transferred to MTS and cancelled by MTS without any consideration paid to the holder thereof.

I hold DCUs, RSUs and/or PSUs. What will happen to my DCUs, RSUs and/or PSUs under the Arrangement?

Each outstanding DCU, whether vested or unvested, will be deemed to be assigned and transferred to MTS and cancelled by MTS in exchange for a cash payment of $40.00.

Each outstanding RSU that is held by a holder of RSUs who BCE elects to be paid out pursuant to the terms of the Plan of Arrangement, whether vested or unvested, will be deemed to be assigned and transferred to MTS and cancelled by MTS in exchange for a cash payment of $40.00. With respect to the other holders of RSUs, the obligations of MTS to such holders shall be assumed by BCE from and with effect from the Closing of the Arrangement in accordance with the RSU Plan and with the terms of the holders' respective employment agreements, with the value of such obligations to be equal to what the Plan of Arrangement Value for such holder would have been had they been paid out in accordance with the Plan of Arrangement at the Effective Time. See "The Arrangement – Effect of the Arrangement".

Each outstanding PSU that is held by a holder of PSUs who BCE elects to be paid out pursuant to the terms of the Plan of Arrangement, whether vested or unvested, will be deemed to be assigned and transferred to MTS and cancelled by MTS in exchange for a cash payment from the Company equal to $40.00 multiplied by the agreed upon performance factor applicable to such PSU, and each such PSU shall immediately be cancelled. With respect to the other holders of PSUs, the obligations of MTS to such holders shall be assumed by BCE from and with effect from the Closing of the Arrangement in accordance with the PSU Plan and with the terms of the holders' respective employment agreements, with the value of such obligations to be equal to what the Plan of Arrangement Value for such holder would have been had they been paid out in accordance with the Plan of Arrangement at the Effective Time. See "The Arrangement – Effect of the Arrangement".

Tax Consequences to Company Shareholders

What are the tax consequences of the Arrangement to me as a Company Shareholder?

This information circular contains a summary of the principal Canadian federal income tax considerations relevant to Company Shareholders. Please see the discussions under the heading "Certain Canadian Federal Income Tax Considerations". **This summary is of a general nature only and is not, and is not intended to be, nor should it be construed to be, legal or tax advice or representations to any particular Company Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Company Shareholders are urged to consult their own legal and tax advisors with respect to the tax consequences to them having regard to their particular circumstances, including the application and effect of the income and other tax laws of any country, province or other jurisdiction that may be applicable to the Company Shareholder.**

This information circular does not address any tax considerations of the Arrangement other than certain Canadian federal income tax considerations to Company Shareholders. No tax advice or opinion whatsoever is being provided to Company Shareholders who are resident in jurisdictions other than Canada (including Company Shareholders that are United States taxpayers). It is anticipated that information about United States tax consequences, which are not currently determinable, will be provided prior to the Election Deadline. See "Risk Factors".

Can I obtain a tax-deferred rollover for any Company Shares for Canadian federal income tax purposes?

If you dispose of Company Shares under the Arrangement and receive only Share Consideration then you may be entitled to the automatic tax deferral provided for in subsection 85.1(1) of the Tax Act provided that you do not choose to recognize any gain or loss from the disposition of your Company Shares in your annual tax return and do not file a Tax Election.

If you dispose of Company Shares under the Arrangement and receive either only Share Consideration or a combination of Share Consideration and Cash Consideration (as a result of proration or as a result of a deemed election) then, provided you are an Eligible Holder, Purchaser Subco will make a joint election with you under

subsection 85(1) or 85(2) of the Tax Act, as applicable, in order for you to obtain a full or partial tax deferral. **If you elect to receive only Share Consideration but, because of proration, receive a combination of Share Consideration and Cash Consideration, the automatic tax deferral provided for in subsection 85.1(1) of the Tax Act will not be available to you and you will be required to make a joint election under subsections 85(1) or 85(2) of the Tax Act if you desire to obtain a full or partial tax deferral.**

Please see the discussion under the heading "Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Disposition of Company Shares Pursuant to the Arrangement – Exchange of Company Shares for Share Consideration only or a Combination of Share Consideration and Cash Consideration – Tax Election" for more information on how to make a Tax Election and the consequences of making such a Tax Election.

Who to Call with Questions

Who can I contact if I have questions?

If you have any questions about the information contained in this circular or require assistance in completing your form of proxy or Letter of Transmittal and Election Form, please contact MTS' proxy solicitation and information agent, D.F. King, toll free at 1-800-398-2816 (1-201-806-7301 by collect call) or by email at inquiries@dfking.com or the Depositary under the Arrangement, toll free at 1-877-982-8757.

If you have questions about deciding how to vote, you should contact your own legal, tax, financial or other professional advisor.

INFORMATION CONCERNING THE COMPANY MEETING AND VOTING

Solicitation of Proxies

This information circular is delivered in connection with the solicitation of proxies by and on behalf of MTS' management and the Board for use at the Company Meeting or any adjournment(s) or postponement(s) thereof. Proxies in the enclosed form are solicited by MTS' management and the Board. It is expected that the solicitation will be made primarily by mail, but proxies may also be solicited by telephone, over the Internet, in writing or in person. We have retained D.F. King to solicit proxies for us at an estimated cost of $100,000. Such costs will be borne by BCE, and BCE has also agreed to reimburse out-of-pocket expenses of D.F. King. MTS and D.F. King have each agreed to indemnify each other against certain liabilities arising out of or in connection with such engagement.

Appointment of Proxies

The persons named in the enclosed form of proxy are directors and/or officers of MTS. **Each Company Shareholder is entitled to appoint a person (who need not be a Company Shareholder) other than the individuals named in the enclosed form of proxy to represent such Company Shareholder at the Company Meeting. If Company Shareholders wish to appoint a person or company other than the persons whose names are printed on the enclosed form of proxy, they may insert the name of their chosen proxyholder in the space provided in the enclosed form of proxy.**

A Registered Shareholder who is unable to be present at the Company Meeting and who wishes to appoint some other person (who need not be a Company Shareholder) to represent such Registered Shareholder at the Company Meeting may do so either by striking out the names set forth in the form of proxy and by inserting such person's name in the blank space provided therein or by completing another proper form of proxy, and, in either case, by returning the completed proxy to the Transfer Agent, Computershare Investor Services Inc., at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 no later than 9:00 a.m. (Manitoba time) on June 21, 2016, or, in the event that the Company Meeting is adjourned or postponed, not less than 48 hours (other than a Saturday, Sunday or holiday) immediately preceding the time set for any reconvened or postponed Company Meeting.

Non-Registered Shareholders

Only Company Shareholders who are Registered Shareholders or duly appointed individuals named in the form of proxy are permitted to vote at the Company Meeting. Most Company Shareholders are Non-Registered Shareholders because the Company Shares they beneficially own are not registered in their names but instead registered in the name of an intermediary (an "**Intermediary**"), such as a broker, investment dealer, bank or trust company, or in the name of a depositary such as CDS Clearing and Depository Services Inc. in which the Intermediary through which the Company Shareholders own Company Shares is a participant. If you purchased your Company Shares through a broker, you are likely a Non-Registered Shareholder.

The Company Meeting materials are being sent to both Registered Shareholders and Non-Registered Shareholders. If you are a Non-Registered Shareholder and MTS or its agent has sent the Company Meeting materials directly to you, your name and address and information about your holding of Company Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send the Company Meeting materials to you directly, MTS (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Company Meeting materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the voting instruction form.

In accordance with applicable Canadian securities laws, MTS has distributed copies of the Company Meeting materials, being the Notice of Meeting, form of proxy and this information circular, to Intermediaries for distribution to Non-Registered Shareholders. Intermediaries are required to forward such Company Meeting materials to Non-Registered Shareholders and to seek their voting instructions in advance of the Company Meeting. Company Shares held by Intermediaries can only be voted in accordance with the instructions of the Non-Registered Shareholder. The

Intermediaries often have their own form for obtaining voting instructions and their own mailing procedures. You should carefully follow the instructions from your Intermediary in order to ensure that your Company Shares are voted at the Company Meeting.

If, as a Non-Registered Shareholder, you wish to vote at the Company Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Intermediary and return the form to the Intermediary in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Company Meeting.

Revocation of Proxies

A Registered Shareholder who has given a proxy has the power to revoke it as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy and may do so: (i) by depositing an instrument in writing executed by him or her or by his or her attorney authorized in writing or, if the Registered Shareholder is a corporation, under the corporate seal or by an officer or attorney thereof duly authorized (A) at the registered office of MTS at P.O. Box 6666, Room MP19A, 333 Main Street, Winnipeg, Manitoba, R3C 3V6, at any time up to and including 5:00 p.m. (Manitoba time) on the last business day preceding the day of the Company Meeting at which the proxy is to be used, or (B) with the Chair of the Company Meeting on the day of the Company Meeting; or (ii) in any other manner permitted by law.

Non-Registered Shareholders who wish to revoke their proxies must arrange for their respective Intermediaries to revoke their proxies on their behalf in accordance with the instructions of such Intermediaries.

Voting of Proxies

The Company Shares represented by the accompanying form of proxy will be voted for or against in accordance with the instructions of the Company Shareholder on any show of hands or ballot that may be called for and, if the Company Shareholder specifies a choice with respect to any matter to be acted upon, the Company Shares will be voted accordingly. **If no specification has been made with respect to any such matter, then (a) where management nominees are appointed, the form of proxy will be voted FOR the Arrangement Resolution, as recommended by management, or (b) where any other person is appointed as proxyholder, the proxy will be voted as the proxyholder sees fit.**

The accompanying form of proxy confers discretionary authority upon the proxyholder named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and other matters which may properly come before the Company Meeting or any adjournment or postponement thereof. At the date of this information circular, the management of MTS knows of no such amendments, variations or other matters. If matters which are not known at the date hereof should properly come before the Company Meeting, the proxy will be voted on such matters in accordance with the best judgment of the proxyholder.

MTS may utilize Broadridge's QuickVote system, which involves non-objecting beneficial owners of Company Shares being contacted by D.F. King, which is soliciting proxies on behalf of the Board and management of the Company, to obtain voting instructions over the telephone and relaying them to Broadridge (on behalf of the Company Shareholder's intermediary). While representatives of D.F. King are soliciting proxies on behalf of the management of the Company and the Board, which is recommending that Company Shareholders vote in favour of the Arrangement Resolution, Company Shareholders are not required to vote in the manner recommended by the Board. The QuickVote system is intended to assist Company Shareholders in placing their votes; however, there is no obligation for any Company Shareholder to vote using the QuickVote system, and Company Shareholders may vote (or change or revoke their votes) at any other time and in any other applicable manner described in this information circular. Any voting instructions provided by a Company Shareholder will be recorded and such Company Shareholder will receive a letter from Broadridge (on behalf of the Company Shareholder's intermediary) as confirmation that his, her or its voting instructions have been accepted.

Record Date

MTS has fixed the close of business on May 20, 2016, as the record date for the purpose of determining Company Shareholders entitled to receive notice of, attend, be heard and vote at the Company Meeting.

Voting Shares and Principal Holders Thereof

As at May 20, 2016, MTS had 74,195,160 Company Shares issued and outstanding. Each Company Share entitles the holder thereof to one vote at all meetings of Company Shareholders.

To the knowledge of the directors and officers of MTS, the only person or company who, as at the Record Date, owned beneficially (directly or indirectly), or exercised control or direction over more than 10% of the issued and outstanding Company Shares is set forth in the table below:

	Company Shares (#)	**Percentage of Votes (%)**
QV Investors Inc.	7,753,363	10.44%

Notes: The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the directors and officers of MTS, has been obtained from public filings made by the relevant Company Shareholder as at May 6, 2016 and assumes no change in ownership subsequent to April 30, 2016 (the date for which such ownership of Company Shares was reported in the public filings). The percentage of votes is based upon the number of Company Shares reported in the aforementioned public filings, but calculated based upon the number of Company Shares issued and outstanding as of the Record Date.

THE ARRANGEMENT

Background to the Arrangement

The provisions of the Arrangement Agreement are the result of arm's length negotiations conducted between MTS and BCE and their respective representatives and advisors. The following is a summary of the material events, negotiations, discussions and actions leading up to the execution of the Arrangement Agreement on May 1, 2016 and its public announcement on May 2, 2016.

The Comprehensive Strategic Review Process

Effective January 1, 2015, the Board appointed Jay Forbes as the new Chief Executive Officer of MTS. In his first few months as Chief Executive Officer, Mr. Forbes focused on gaining a deeper understanding of customer needs, organizational capabilities and investor expectations, following which a comprehensive strategic review was undertaken.

On May 7, 2015, MTS announced the completion of its strategic review. The result was a new set of strategic objectives focused on creating both immediate and long-term shareholder value. The new strategic focus for the Company was premised on:

- bringing clarity to and a focus on free cash flow generation (which involved pre-funding $120 million to the Company's pension plans and resetting the Company Share dividend to a level that was sustainable);
- transforming MTS into a customer-first organization that leveraged the MTS brand to increase its market share and to improve the profitability of its operations; and
- the turnaround and sale of Allstream Inc. ("**Allstream**") based on the reaffirmation that it was not integral or strategic to MTS' future.

In the second quarter of 2015, the Company took immediate actions to restructure Allstream's operations in keeping with its narrowed strategic focus. The Company also commenced detailed preparation for an exit from the Allstream business, which included retaining advisors, working with governmental officials to ensure a clear understanding of the approval process and requirements, and constructing information repositories for prospective purchasers.

Over the third quarter of 2015, the first phase of the Company's transformation program began, with the overhaul of its capital investment process, the streamlining of its back-office functions, and the launch of a refreshed MTS brand.

Following a comprehensive process in which the Company engaged a number of strategic and financial buyers through an auction process, the Company announced on November 23, 2015 that it had signed a definitive agreement to sell Allstream to a subsidiary of Zayo Group, LLC, a leading U.S. provider of communication infrastructure, in an all cash transaction for $465 million. The Allstream sale closed on January 15, 2016, through which the Company realized net proceeds of approximately $425 million.

The Company utilized the net proceeds of the Allstream sale to return value to Company Shareholders and strengthen its balance sheet by:

- launching a normal course issuer bid program with an authorized limit of $200 million that commenced on February 9, 2016; and
- retiring debt used to finance a pension funding prepayment and spectrum acquisitions completed in 2015.

Interest in Acquiring MTS

During the conduct of the Allstream sales process, each of BCE and TELUS Corporation ("**TELUS**") informally raised the possibility of exploring a potential acquisition of MTS. As the primary focus of the Company and the Board at this time was the transformation initiative and the sale of Allstream, no serious discussions ensued. The Board did, however, receive advice from Stikeman Elliott LLP ("**Stikeman**") as to its duties and responsibilities in the event of an unsolicited offer for a change of control transaction.

In light of:

- these informal discussions;
- widespread market speculation that MTS had become an attractive takeover target after completing the disposition of Allstream; and
- the overall relatively high valuations in the Canadian telecom sector,

in early 2016 the Board engaged an international consulting firm, as well as Barclays, CIBC and TD Securities to assist in the further analysis of the Company's strategic position and potential alternatives. It also retained Stikeman, DFH Public Affairs Ltd. and Aikins MacAulay & Thorvaldson LLP ("**Aikins**") to assist in this work.

Over the next few months, management and the Company's advisors undertook a thorough analysis of the Company's strategic paths (which included the creation of comprehensive five year plans to assess the risks and rewards associated with each alternative) including: (i) staying the course, pursuing the Company's transformational objectives on a stand-alone basis, (ii) a strategic acquisition or merger, with particular focus on assessing the potential of a merger with Saskatchewan Telecommunications Holding Corporation, should the Saskatchewan government decide to allow the same; or (iii) the acquisition of MTS.

Each of these strategic alternatives was carefully scrutinized based on, among other things, its overall value creation potential and execution risk, and a detailed report was made to the Board at a meeting on March 17, 2016 on each of these potential paths. In addition, the Board received analysis from its financial advisors on the estimated "ability to pay" of different categories of potential purchasers, including strategic buyers and private equity firms. Based on the analysis of its advisors with regard to these potential purchasers, the Board was advised that:

- private equity firms were highly unlikely to be able to offer the same value to Company Shareholders (and other stakeholders) as a Canadian strategic purchaser; and
- other strategic acquisitions or mergers that the Company might pursue were similarly unlikely to be able to deliver the same value to the Company Shareholders (and other stakeholders) as an acquisition by a Canadian strategic purchaser.

The Board carefully reviewed the potential risks and opportunities associated with each alternative, and instructed management to continue to prepare in the event that the Company received an unsolicited offer.

The Board also authorized meetings to take place with senior representatives of BCE, TELUS and Rogers Communications Inc. ("**Rogers**") to communicate that, while the Company was primarily focused on executing its strategic transformation initiatives (and consequently, it was not intending to initiate any sales process), it intended to be prepared to respond if an offer that was compelling for all of the Company's stakeholders was received. Senior management of the Company and the Chair of the Board had such discussions with representatives of BCE, TELUS and Rogers over the course of the next several weeks, which helped to inform the Company's views on the potential interest of such parties in an acquisition of the Company.

In the weeks following the March 17, 2016 Board meeting, the Company and its advisors continued to evaluate the various strategic alternatives available to the Company. Wanting to maximize control over any sales process – should one occur – the Company and its advisors initiated extensive preparatory work including the completion of

vendor due diligence, a quality of earnings review, creation of a virtual data room, preparation of draft transaction documents and an analysis of potential acquirors.

BCE Proposal

At the request of George Cope, the President and Chief Executive Officer of BCE, Mr. Forbes met with Mr. Cope on the morning of April 21, 2016 in Los Angeles, California (taking advantage of their overlapping travel schedule). During this meeting, Mr. Cope presented a confidential proposal from BCE (the "**Initial BCE Proposal**") for the acquisition of all of the issued and outstanding Company Shares of MTS.

The Initial BCE Proposal:

- contemplated a price of $40.00 per Company Share, which represented:
    - a premium of 23% to the weighted average closing price of the Company Shares on April 19, 2016;
    - implied a transaction multiple of 10.1x 2016 estimated EBITDA (less deferred wireless costs) based on the latest consensus estimates and 9.5x including the present value of tax assets; and
    - was above all research analyst take-out value estimates;
- required MTS to suspend all further dividends on the Company Shares;
- contemplated that the aggregate offer price would be paid with a combination of 40% cash and 60% BCE Common Shares,
    - with the BCE Common Share component of the offer price to be based on a fixed exchange ratio to be determined prior to announcement of the transaction; and
    - that Company Shareholders would have the opportunity to elect to receive either cash or BCE Common Shares, subject to proration;
- indicated that Company Shareholders who received BCE Common Shares would be able to do so on a tax free roll-over basis;
- proposed that BCE would use reasonable best efforts to obtain all Required Regulatory Approvals (subject to the proviso that it would not be required to undertake a Material Remedy); and
- specified that a break fee and reverse break fee of $125 million would be payable if the definitive agreement was terminated in certain circumstances.

The Initial BCE Proposal also outlined a number of proposed commitments in respect of investment in the Province of Manitoba, including:

- a commitment to make Winnipeg the Western Canada headquarters of BCE and Bell Canada;
- an investment commitment of $1 billion over five years in Manitoba; and
- a commitment to maintain MTS' longstanding commitment to local communities

(collectively, the "**Manitoba Commitments**").

The Initial BCE Proposal stated that BCE had retained legal and financial advisors, that it had already devoted significant time and resources to undertaking an analysis of MTS, that it only required limited due diligence prior to entering into a definitive agreement, and that BCE was in a position to move quickly to complete its due diligence and enter into a definitive agreement.

Upon receipt of the Initial BCE Proposal Mr. Forbes notified Mr. Leith, the Chair of the Board, and a Board meeting was arranged for April 25, 2016 to review the proposal and determine next steps. After consultation with the Company's legal and financial advisors and the Chair of the Board, and given the previously expressed interest of TELUS in a potential transaction, Mr. Forbes called Darren Entwistle, the Chief Executive Officer of TELUS, to inform him that MTS had received a credible acquisition proposal which it planned to consider at the upcoming Board meeting, and to provide him with an opportunity to make a proposal in advance of that Board meeting, if TELUS so wished.

Between April 21, 2016 and April 25, 2016, management and the Company's advisors analyzed the Initial BCE Proposal, and interacted with advisors to TELUS, who indicated that they were considering their alternatives. On April 25, 2016, however, Mr. Entwistle notified Mr. Forbes that TELUS had determined that it was not going to make an offer to acquire MTS.

Separately, on April 25, 2016 (after Mr. Entwistle's call and before the Board meeting on April 25, 2016) and on April 26, 2016, Mr. Cope had two conversations with Mr. Forbes. Mr. Forbes was informed that, after having presented the Initial BCE Proposal, BCE had received an unsolicited offer from TELUS to acquire certain assets of MTS from BCE should BCE complete an acquisition of MTS. Mr. Cope indicated that BCE and TELUS had reached an understanding in that regard. Mr. Cope re-affirmed the interest of BCE in pursuing a transaction with MTS on the terms outlined in the Initial BCE Proposal.

At the meeting on April 25, 2016, the Board, with the benefit of input and advice from its financial and legal advisors, carefully considered the risks and benefits of the Initial BCE Proposal, as well as potential alternatives thereto. Mr. Forbes advised the Board of his discussions with each of Mr. Entwistle and Mr. Cope, and the Company's financial advisors provided their views on the terms and conditions of the Initial BCE Proposal. Stikeman provided advice to the members of the Board on their duties and responsibilities with respect to an unsolicited change of control transaction, as well as indicative terms of a potential arrangement agreement and non-disclosure agreement for use in discussions with BCE. The Human Resources and Compensation Committee ("**HRCC**") of the Board, which had separately met on April 24, 2016, also provided a recommendation to the Board, which it had arrived at with input and advice from its independent executive compensation consultant Hugessen Consulting, as to the potential treatment of existing incentive compensation arrangements of the Company under any change of control transaction, which treatment would be subject to discussions and negotiations with any potential acquirer of the Company. There was also considerable discussion about the proposed Manitoba Commitments, and the impact of any potential transaction with BCE on the Company's stakeholders. At the conclusion of this meeting the Board determined that, given:

- the advice it has received from its legal and financial advisors;
- the compelling value potential of the Initial BCE Proposal for Company Shareholders and the other stakeholders of the Company relative to other potential alternatives that it had considered;
- the fact that the $40.00 offer price implied a multiple in excess of relevant precedent transaction multiples and was at the high end of the range of value analysis;
- the fact that TELUS, the other most probable potential acquirer of MTS in terms of previously expressed interest and ability to pay, had determined that it would not make an independent offer for MTS; and
- the low likelihood of other potential competitive bidders in terms of either ability to pay or previously expressed interest,

management and its advisors should work towards expeditiously negotiating a transaction with BCE on the general terms outlined in the Initial BCE Proposal.

BCE and MTS negotiated the Confidentiality Agreement for purposes of allowing BCE to receive confidential information relating to MTS' business, and the Confidentiality Agreement was executed on April 26, 2016. In connection with the negotiation of the Confidentiality Agreement, BCE provided MTS with further specific details on the terms of its proposed transaction with TELUS, which would involve the divestiture to TELUS, following completion of the acquisition of MTS, of certain wireless subscribers and the assignment of certain distribution channels. BCE confirmed that its interest in MTS was not conditional on any transaction with TELUS, and that therefore any TELUS transaction would not be a condition precedent to a transaction with MTS. The terms of the Confidentiality Agreement restricted BCE from sharing the confidential information of MTS with TELUS without the consent of MTS. MTS subsequently also entered into a confidentiality agreement with TELUS to allow it to access a limited amount of confidential information of MTS.

On the afternoon of April 26, 2016, BCE was provided with access to MTS' virtual data room, as well as a draft of the Arrangement Agreement that the Company and its advisors had prepared. On April 28, 2016, BCE provided its first set of comments on the Arrangement Agreement and related documents to the Company.

The Company understands that on April 27, 2016 and April 28, 2016, management of BCE met with the BCE Board to present and review the material terms of the Arrangement Agreement, the Support and Voting Agreements and the other transaction documents. The Company understands that the BCE Board unanimously approved the Arrangement and the issuance of BCE Common Shares pursuant to the Arrangement, subject to finalization of the terms of the Arrangement Agreement and related documents.

On April 29, 2016, the Company's financial advisors conducted a due diligence session with the Chief Financial Officer of BCE. Later that day the Board met to receive an update on the overall status of discussions with BCE, including the outstanding issues under the Arrangement Agreement and the further details of the proposed transaction between BCE and TELUS. The Board instructed management to negotiate certain items, including the possibility of obtaining a lower break fee, the ability to continue to pay dividend(s) to Company Shareholders, an increase in the cash component of the overall offered consideration and to obtain more specificity in respect of the proposed Manitoba Commitments.

Over the next three days, BCE and MTS, together with their respective advisors, continued to negotiate the terms of the Arrangement Agreement, Support and Voting Agreements, the ability of Company Shareholders to benefit from a tax-free rollover for their Company Shares (to the extent that they received BCE Common Shares in consideration therefor) and many other aspects of the definitive transaction documents. In addition, management, as directed by the Board, negotiated a lower Company Termination Fee of $120 million, secured the ability to pay a second quarter 2016 dividend to Company Shareholders, negotiated an increase of the Cash Consideration to 45% of the Consideration, and obtained greater clarity and details in respect of the Manitoba Commitments (the "**Revised BCE Proposal**").

On May 1, 2016, the Board met with its legal and financial advisors to consider the Revised BCE Proposal. Representatives of Barclays, CIBC and TD Securities each provided a presentation to the Board regarding the proposed transaction. Each of the financial advisors delivered to the Board an oral opinion, which was subsequently confirmed in writing by the respective Fairness Opinions, to the effect that, as of the date of such opinions and based on and subject to the analyses, assumptions, qualifications and limitations set forth therein, the Consideration to be received by Company Shareholders under the Arrangement was fair, from a financial point of view, to the Company Shareholders. Following the presentations from the financial advisors, Stikeman discussed certain aspects of the Arrangement Agreement and the duties of the Board, and answered questions on the overall transaction. The Board discussed at length the key benefits and risks of the Revised BCE Proposal. The Board then held an in-camera session to further discuss the Arrangement.

Following the presentations from the financial advisors and Stikeman, and after a discussion of the factors supporting the proposed transaction as well as the risks and uncertainties associated with the proposed transaction, the Board:

- unanimously determined that the Arrangement was in the best interests of MTS, having regard to the interests of the Company's stakeholders, and was fair to Company Shareholders;

- unanimously approved the Arrangement and the Arrangement Agreement; and

- made the unanimous recommendation that the Company Shareholders vote **FOR** the Arrangement.

The Arrangement Agreement, the Support and Voting Agreements and the other definitive transaction documents were finalized and executed by the parties late on May 1, 2016 and the transaction was announced in the morning on May 2, 2016 prior to the commencement of trading on the TSX.

Reasons for the Recommendation of the Board

In unanimously determining that the Arrangement is fair to Company Shareholders and is in the best interests of the Company (taking into account the relevant stakeholders thereof) and the Company Shareholders, and recommending to Company Shareholders that they approve the Arrangement, the Board considered and relied upon a number of factors, including, among others, the following:

- the Board's conclusion, after a thorough review and after receiving the advice of its legal and financial advisors, that the value offered to Company Shareholders under the Arrangement is more favourable to Company Shareholders than the potential value that might have resulted from other strategic alternatives reasonably available to MTS, including

    - remaining a publicly traded company and continuing to pursue the Company's transformational objectives on a stand-alone basis, or

    - exploring the possibility of a strategic acquisition or merger,

  in each case taking into consideration the potential rewards, risks and uncertainties associated with those other alternatives, each within a timeframe comparable to that in which the Arrangement is expected to be completed;

- the Consideration offered under the Arrangement for the Company Shares, which represents a 23.2% premium to the weighted-average closing price of the Company Shares on the TSX for the 20-day period ending April 29, 2016 and a 40% premium to the closing price of the Company Shares on the TSX of $28.59 on November 20, 2015, the last trading day prior to the announcement of the sale of Allstream;

- the record multiples that the Canadian telecommunications industry is currently trading at;

- the valuation of MTS contemplated by the Revised BCE Proposal represented a record multiple versus relevant precedent transactions involving integrated telecommunications providers in North America;

- the Arrangement is expected to benefit the Company, its employees and other stakeholders based upon BCE's Manitoba Commitments;

- BCE's covenant to cause the Company to continue to comply with the Manitoba Reorganization Act;

- the ability of Company Shareholders to receive a dividend on the Company Shares in the second quarter of 2016;

- the Maximum Cash Consideration being 45% of the aggregate Consideration, which provides certainty of value and liquidity to Company Shareholders who elect (or are deemed to elect) to receive the Cash Consideration;

- the flexibility for Company Shareholders to elect whether they wish to receive the Cash Consideration or the Share Consideration, subject to proration if Company Shareholders collectively elect or are deemed to have elected, as applicable, to receive more than the Maximum Cash Consideration or the Maximum Share Consideration, as the case may be;

- the ability for Canadian resident Company Shareholders who elect to receive the Share Consideration to receive BCE Common Shares on a tax free roll-over-basis;

- the opportunity for Company Shareholders who elect (or are deemed to have elected) the Share Consideration to participate in the future potential growth of BCE, Canada's largest communications company, which has a strong history of increasing its dividend and currently delivers an attractive yield;

- BCE pays a $2.73 dividend per BCE Common Share on an annual basis as of the date hereof. Based on this level of distributions, and subject to the risk that BCE could change its dividend levels in the future, Company Shareholders who receive only Share Consideration will receive an annual per share pro forma dividend of approximately $1.84 for each Company Share, approximately 41.5% higher than the current MTS annual dividend level of $1.30 per Company Share;

- the liquidity of BCE Common Shares, including the fact that BCE Common Shares to be issued pursuant to the Arrangement will generally not be subject to restrictions on transfer following completion of the Arrangement;

- the reputation, experience and financial standing of BCE, its history of successful acquisitions in the telecommunications industry, and its ability to complete the Arrangement;

- the Fairness Opinions delivered by the MTS financial advisors, which state that, as of May 1, 2016, and based upon and subject to the assumptions, limitations and qualifications contained therein, the Consideration to be received by Company Shareholders under the Arrangement is fair, from a financial point of view, to the Company Shareholders;

- the likelihood that the Arrangement will be completed, in light of the conditions to the parties' obligations to complete the Arrangement, and the fact that BCE has agreed to the Reverse Termination Fee if the Arrangement Agreement is terminated in certain circumstances;

- the opportunity afforded to Company Shareholders to vote on the Arrangement, which requires approval by at least $66^{2/3}$% of the votes cast by the Company Shareholders present at the Company Meeting in person or represented by proxy and entitled to vote;

- the requirement that the Court determine that the Arrangement is fair and reasonable to holders of securities of the Company;

- the likelihood of receiving the Required Regulatory Approvals within the timeframe set out in the Arrangement Agreement, including by the Outside Date (as it may be extended), understanding the risks associated thereto;

- that the Company's existing bondholders would not be adversely impacted by the Arrangement;

- BCE's obligation to complete the Arrangement being subject to a limited number of conditions;

- the treatment of holders of Company Options, DCUs, RSUs and PSUs under the Arrangement;

- the ability of the Board, in certain circumstances, to consider, accept and enter into a definitive agreement with respect to a Superior Proposal, or withdraw, modify or amend the Board's recommendation that

Shareholders vote to approve the Arrangement Resolution under certain circumstances, provided in each case that the Company pays the Company Termination Fee;

- the Arrangement not being subject to due diligence or financing conditions, and BCE having sufficient cash on hand and access to debt facilities to pay the Maximum Cash Consideration;

- the ability for Registered Shareholders to, upon compliance with certain conditions and in certain circumstances, exercise their Dissent Rights and, if ultimately successful, receive fair value for their Company Shares as determined by the Court; and

- the fact that the Company's and the Purchaser's respective representations, warranties and covenants, and the conditions to their respective obligations, are reasonable in the judgment of the Board following consultations with its advisors, and are the product of extensive arm's length negotiations between the Company and its advisors and the Purchaser and its advisors.

In reaching its determination, the Board also considered a number of potential risks and potential negative factors relating to the Arrangement, including the following:

- the risks to the Company if the Arrangement is not completed, including the costs to the Company in pursuing the Arrangement, the diversion of management's attention away from conducting the Company's business in the ordinary course and the potential impact on the Company's current business relationships (including with future and prospective employees, customers, suppliers and partners);

- the risks associated with providing confidential information regarding MTS to BCE (and a limited amount of confidential information to TELUS) in the event that the Arrangement cannot be completed;

- the fact that the elections of Company Shareholders may be subject to proration in the event that Shareholders elect in the aggregate more than the Maximum Cash Consideration or the Maximum Share Consideration;

- the fact that following the completion of the Arrangement, Company Shareholders that receive Cash Consideration will forego future increases in the value of MTS beyond the negotiated price for the transaction;

- the limitations contained in the Arrangement Agreement on the Company's ability to solicit alternative transactions from third parties following execution of the Arrangement Agreement, as well as the fact that if the Arrangement Agreement is terminated in certain circumstances, the Company must pay the Company Termination Fee;

- the exchange ratio for Company Shareholders receiving BCE Common Shares being fixed and, as a result, the possibility that the BCE Common Shares to be issued on the Effective Date of the Arrangement having a market value different than at the time of announcement of the Arrangement;

- the suspension of dividends on the Company Shares following the second quarter of 2016;

- for Company Shareholders who elect (or are deemed to have elected) to receive Cash Consideration, the Arrangement being a taxable transaction for such Company Shareholders (without any opportunity for tax deferral);

- the restrictions imposed pursuant to the Arrangement Agreement on the conduct of the Company's business during the period between the execution of the Arrangement Agreement and the consummation of the Arrangement;

- the conditions to BCE's obligation to complete the Arrangement and the rights of BCE to terminate the Arrangement Agreement in certain circumstances, including upon the failure to receive the Required Regulatory Approvals or the existence at the Outside Date of an Award or threatened or pending Action (other than frivolous or vexatious Actions) against the Company that would result in a Company Material Adverse Effect (in each case subject to paying the Company the Reverse Termination Fee), or other conditions including the occurrence of a Company Material Adverse Effect or the failure to comply with certain covenants;

- the risk that the Competition Bureau, the CRTC or ISED Canada do not approve the Arrangement or impose terms and conditions on their approval which amount to a Material Remedy, which would allow BCE to terminate the Arrangement Agreement, subject to paying the Company the Reverse Termination Fee;

- the possibility that the Required Regulatory Approvals may not be obtained in a timely manner, which could result in the Outside Date being extended until June 30, 2017;

- the possibility that the Outside Date could be extended until October 28, 2017 if the conditions relating to obtaining the Interim Order and Final Order, no illegality or no negative Award that would result in a Company Material Adverse Effect have not been satisfied by the original Outside Date;

- the risks that third parties to material contracts with the Company claim that the Arrangement Agreement represents a breach under such agreements, which could cause harm to the ongoing operations of the Company (whether contractually or through the elimination of goodwill);

- the risk that if the Arrangement Agreement is terminated and MTS decides to seek another acquisition transaction, there can be no assurance that MTS will be able to find a party willing to pay an equivalent or more attractive price than the Consideration to be paid under the Arrangement; and

- other risks associated with the parties' ability to complete the Arrangement.

The foregoing description of the information and factors considered by the Board includes the principal positive and negative factors considered by the Board, but is not intended to be exhaustive and may not include all of the factors considered, and, in view of the number and complexity of factors considered by the Board, the Board did not find it practicable to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors considered by it in making its recommendations (and individual members of the Board may have given different weights to different factors). The Board reached its recommendations based on the totality of the information presented to, and considered by, it through its deliberations.

Fairness Opinions

In connection with the evaluation by the Board of the Arrangement, the Board received opinions from each of Barclays, CIBC and TD Securities in respect of the fairness, from a financial point of view, of the Consideration to be received by Company Shareholders pursuant to the Arrangement to Company Shareholders. **The following summary of each Fairness Opinion is qualified in its entirety by reference to the full text of each of the respective Fairness Opinions attached at Appendix "C", Appendix "D" and Appendix "E", respectively. Company Shareholders are urged to, and should, read each Fairness Opinion in its entirety.**

Each of Barclays, CIBC and TD Securities was engaged by MTS as an independent financial advisor to the Board through engagement agreements dated as of April 27, 2016 between MTS and each of Barclays, CIBC and TD Securities. Pursuant to their respective engagement agreements, each of Barclays, CIBC and TD Securities agreed to provide, among other things, financial analysis and advice and to deliver a fairness opinion to the Board as requested.

At the meeting of the Board held on May 1, 2016, each of Barclays, CIBC and TD Securities delivered oral opinions, subsequently confirmed in writing by their respective Fairness Opinions, that, as at such date, and subject

to the assumptions and limitations set forth in the Fairness Opinions, the Consideration to be received by Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Company Shareholders.

The full text of the Fairness Opinions, which sets forth among other things, assumptions made, matters considered, information reviewed and limitations on the review undertaken by each of Barclays, CIBC and TD Securities in connection with each of their respective Fairness Opinions, is attached at Appendix "C", Appendix "D" and Appendix "E", respectively. **Each of the Fairness Opinions was provided solely for the use of the Board in connection with the Board's evaluation of the Consideration from a financial point of view to be received by Company Shareholders pursuant to the Arrangement and is not intended to be and does not constitute a recommendation as to how Company Shareholders should vote in respect of the Arrangement Resolution. Each of Barclays, CIBC and TD Securities expressed no view as to, and their respective Fairness Opinions did not address, any other aspects or implications of the Arrangement or the underlying business decision of the Board to effect the Arrangement, the relative merits of the Arrangement as compared to any alternative business strategies that might exist for the Company or the effect of any other transaction in which the Company might engage.**

Each of Barclays, CIBC and TD Securities was engaged by the Company as a financial advisor to provide the Board with financial advisory services in connection with the Arrangement, including advice and assistance in evaluating the Arrangement. Pursuant to the terms of their respective engagement agreements with the Company, each of Barclays, CIBC and TD Securities is to be paid a fee for its services as financial advisor, including fees payable upon delivery of their Fairness Opinions to the Board that are not contingent on the completion of the Arrangement as well as fees that are contingent on completion of the Arrangement and certain other events. The Company has also agreed to reimburse each of Barclays, CIBC and TD Securities for their reasonable out-of-pocket expenses and to indemnify each of Barclays, CIBC and TD Securities in certain circumstances.

MTS has been advised by each of Barclays, CIBC and TD Securities that none of Barclays, CIBC and TD Securities, nor any of their affiliated entities, is an insider, associate or affiliate (as those terms are defined in the Securities Laws) of MTS, BCE, or any of their respective associates or affiliates. Each of Barclays, CIBC and TD Securities provides and has provided banking services in the normal course of business to MTS, and with the prior consent of the Board, each of Barclays, CIBC and TD Securities or any of its affiliates may act as a lender to BCE in connection with the Arrangement, subject to certain conditions.

In addition to the services being provided under their respective engagement agreements with MTS, each of Barclays, CIBC and TD Securities has in the past provided and/or may in the future provide financial advisory and investment banking services to MTS, BCE, or any of their respective associates or affiliates. There are no understandings, agreements or commitments between any of Barclays, CIBC and TD Securities, or any of its affiliated entities, and MTS, BCE, or any of their respective associates or affiliates, with respect to any future business dealings which are expected to result in fees that are material to any of Barclays, CIBC and TD Securities.

Required Shareholder Approval

At the Company Meeting, Company Shareholders will be asked to vote to approve the Arrangement Resolution. The approval of the Arrangement Resolution will require the affirmative vote of not less than 66 2/3% of the votes cast by the Company Shareholders present in person or represented by proxy at the Company Meeting (the "**Required Shareholder Approval**"). The Arrangement Resolution must receive such Company Shareholder approval in order for the Company to seek the Final Order and complete the Arrangement on the Effective Date in accordance with the Final Order and the Arrangement Agreement.

Notwithstanding the approval by Company Shareholders of the Arrangement Resolution in accordance with the Required Shareholder Approval, the Arrangement Resolution authorizes the Board to, without notice to or approval of the Company Shareholders, (i) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted thereby, as described under "Summary of Arrangement Agreement — Amendment", and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.

Support and Voting Agreements

On May 1, 2016, each of the directors and officers of MTS entered into separate support and voting agreements with BCE in connection with the Arrangement (collectively, the "**Support and Voting Agreements**"). Such directors and officers beneficially own, directly or indirectly, or exercise control or direction over, in the aggregate, 35,878 Company Shares as at May 20, 2016, which represent approximately 0.05% of the issued and outstanding Company Shares.

The following is only a summary of the Support and Voting Agreements.

Under their respective Support and Voting Agreements, each of the directors and officers of MTS, namely Ashleigh Everett, Barbara Fraser, Judi Hand, Gregory Hanson, Kishore Kapoor, David Leith, Sanford Riley, Samuel Schellenberg, Carol Stephenson, Jay Forbes, Paul Cadieux, Paul Beauregard, Marvin Boakye, Brenda McInnes and Heather Tulk, has irrevocably agreed:

(a) to vote or to cause to be voted, when applicable, all his or her Company Shares, and any other Company Shares directly or indirectly acquired by or issued to the director and/or officer after the date of his or her respective Support and Voting Agreement (including without limitation any Company Shares issued upon further exercise of Company Options or the settlement of RSUs or PSUs for Company Shares), if any, in favour of the Arrangement and any other matter necessary for the consummation of the Arrangement at the Company Meeting or any adjournment thereof;

(b) upon request by BCE, acting reasonably, to deliver or to cause to be delivered, three (3) Business Days before the date of the Company Meeting, to the Company duly executed proxies or voting instruction forms, as applicable, voting in favour of the Arrangement;

(c) not to exercise any rights to dissent in connection with the Arrangement;

(d) except in his or her capacity as director and/or officer to the extent permitted by the Arrangement Agreement, not to take any action which may in any way adversely affect the success of the Arrangement;

(e) except in his or her capacity as director and/or officer to the extent permitted by the Arrangement Agreement, not to, directly or indirectly, make or participate in or take any action that would reasonably be expected to result in an Acquisition Proposal, or engage in any discussion, negotiation or inquiries relating thereto or accept any Acquisition Proposal; and

(f) not to, directly or indirectly, sell, transfer, pledge or assign or agree to sell, transfer, pledge or assign any of the securities subject to the Support and Voting Agreement or any interest therein, without the prior written consent of BCE.

The Support and Voting Agreements entered into between BCE and each of the above-mentioned directors and officers shall automatically terminate upon termination of the Arrangement Agreement in accordance with its terms or upon the amendment of the terms of the Arrangement Agreement in a manner adverse to the relevant director or officer.

Effect of the Arrangement

The Arrangement Agreement provides for the acquisition of all of the issued and outstanding Company Shares by BCE by way of a Court approved plan of arrangement under section 185 of the MCA.

Subject to the proration and rounding provisions described below under the headings "The Arrangement - Arrangement Mechanics - Proration" and "The Arrangement - Arrangement Mechanics – No Fractional BCE Common Shares and Rounding of Cash Consideration", each Company Shareholder (other than Dissenting Holders) will be entitled to receive from Purchaser Subco, at such Company Shareholder's election, for his, her or its Company Shares: either (i) $40.00 in cash per Company Share; or (ii) 0.6756 of a BCE Common Share per Company Share.

With respect to Company Options, DCUs, RSUs and/or PSUs, whether vested or unvested, outstanding immediately prior to the Effective Time, under the Arrangement:

(a) Each Company Option, whether vested or unvested, with an exercise price lower than $40.00 will be deemed to be assigned and transferred to MTS and cancelled by MTS and, in consideration for such Company Option, MTS will pay to the Company Option holder a cash amount equal to the amount (if any) by which the Cash Consideration exceeds the exercise price of such Company Option, and each such Company Option shall immediately be cancelled. Each outstanding Company Option, whether vested or unvested, with an exercise price equal to or greater than $40.00 will be deemed to be assigned and transferred to MTS and cancelled by MTS without any consideration paid to the holder thereof;

(b) Each outstanding DCU whether vested or unvested, will be deemed to be assigned and transferred to MTS and cancelled by MTS in exchange for a cash payment of $40.00;

(c) Each outstanding RSU that is held by a holder of RSUs who BCE elects to be paid out pursuant to the terms of the Plan of Arrangement, whether vested or unvested, will be deemed to be assigned and transferred to MTS and cancelled by MTS in exchange for a cash payment of $40.00. With respect to the other holders of RSUs, the obligations of MTS to such holders shall be assumed by BCE from and with effect from the Closing in accordance with the RSU Plan and with the terms of the holders' respective employment agreements, with the value of such obligations to be equal to what the Plan of Arrangement Value for such holder would have been had they been paid out in accordance with the Plan of Arrangement at the Effective Time; and

(d) Each outstanding PSU that is held by a holder of PSUs who BCE elects to be paid out pursuant to the terms of the Plan of Arrangement, whether vested or unvested, will be deemed to be assigned and transferred to MTS and cancelled by MTS in exchange for a cash payment from the Company equal to $40.00 multiplied by the agreed upon performance factor applicable to such PSU, and each such PSU shall immediately be cancelled. With respect to the other holders of PSUs, the obligations of MTS to such holders shall be assumed by BCE from and with effect from the Closing in accordance with the PSU Plan and with the terms of the holders' respective employment agreements, with the value of such obligations to be equal to what the Plan of Arrangement Value for such holder would have been had they been paid out in accordance with the Plan of Arrangement at the Effective Time.

Arrangement Mechanics

Arrangement Steps

The following summarizes the steps which will occur under the Plan of Arrangement commencing at the Effective Time, if all conditions to the implementation of the Arrangement have been satisfied or waived. The following description of steps is qualified in its entirety by the full text of the Plan of Arrangement attached as Appendix "B" to this information circular.

First, at the Effective Time, the Company Articles shall be amended to delete Section 2 (Individual Ownership) of Schedule B in its entirety and replace it with the phrase "Intentionally Deleted".

Second, and five minutes after the Effective Time, the following transactions shall occur simultaneously:

(i) each Company Option outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the Stock Option Plan, shall be deemed to be unconditionally vested and exercisable, and such Company Option shall, without any further action by or on behalf of a holder of Company Options, be deemed to be assigned and transferred by such holder to the Company in exchange for a cash payment from the Company equal to the amount (if any) by which the Cash Consideration exceeds the exercise price of such Company Option, and each such Company Option shall immediately be cancelled and, for greater certainty, where such amount is zero or negative, such Company Option shall be cancelled without any consideration, and none of the Company, the Purchaser or Purchaser Subco shall be obligated to pay the holder of such Company Option any amount in respect of such Company Option;

(ii) each DCU outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the DCA Plan shall, without any further action by or on behalf of a holder of DCUs, be deemed to be assigned and transferred by such holder to the Company in exchange for a cash payment from the Company equal to the amount of the Cash Consideration, and each such DCU shall immediately be cancelled;

(iii) each PSU outstanding immediately prior to the Effective Time (whether vested or unvested), that is held by a holder of PSUs who will be paid out in accordance with the Plan of Arrangement as determined in accordance with the Arrangement Agreement, shall, notwithstanding the terms of the PSU Plan, without any further action by or on behalf of such holder of PSUs, be deemed to be assigned and transferred by such holder to the Company in exchange for a cash payment from the Company equal to the amount of the Cash Consideration multiplied by the agreed upon performance factor applicable to such PSU as set out in Schedule A of the Company Disclosure Letter, and each such PSU shall immediately be cancelled (See "Interests of Certain Persons in the Arrangement — Equity-Based Incentive Awards — RSUs and PSUs" for a chart containing the agreed upon performance factors); and

(iv) each RSU outstanding immediately prior to the Effective Time (whether vested or unvested), that is held by a holder of RSUs who will be paid out in accordance with the Plan of Arrangement as determined in accordance with the Arrangement Agreement, shall, notwithstanding the terms of the RSU Plan, without any further action by or on behalf of such holder of RSUs, be deemed to be assigned and transferred by such holder to the Company in exchange for a cash payment from the Company equal to the amount of the Cash Consideration, and each such RSU shall immediately be cancelled;

Third, and ten minutes after the Effective Time, the following transactions shall simultaneously occur:

(i) subject to Section 4.1 and Section 4.2 of the Plan of Arrangement, each Company Share held by a Company Shareholder (other than a Dissenting Holder or a Registered Plan) shall be transferred (free and clear of all Liens) to Purchaser Subco in consideration for such Company

Shareholder's Cash Amount and Purchaser Subco Share Consideration (see "The Arrangement — Arrangement Mechanics — Proration" and "The Arrangement — Arrangement Mechanics — No Fractional BCE Common Shares and Rounding of Cash Consideration", respectively); and

(ii) subject to Section 4.1 and Section 4.2 of the Plan of Arrangement, each Company Share held by a Company Shareholder (other than a Dissenting Holder) that is a Registered Plan shall be transferred (free and clear of all Liens) to Purchaser Subco in consideration for such Company Shareholder's Cash Amount and Purchaser Share Consideration (see "The Arrangement — Arrangement Mechanics — Proration" and "The Arrangement — Arrangement Mechanics — No Fractional BCE Common Shares and Rounding of Cash Consideration", respectively);

Fourth, and fifteen minutes after the Effective Time, all Company Shares held by Dissenting Holders shall be deemed to have been transferred (free and clear of all Liens) to Purchaser Subco in consideration for a debt claim against Purchaser Subco for the amount determined under Section 5.1 of the Plan of Arrangement, and

(i) such Dissenting Holders shall cease to be the holders of such Company Shares and to have any rights as Company Shareholders other than the right to be paid the fair value for such Company Shares as set out in Section 5.1 of the Plan of Arrangement;

(ii) the name of each such Dissenting Holder shall be removed as Company Shareholder, as applicable, from the registers of Company Shareholders, as applicable, maintained by or on behalf of the Company in respect of such Company Shares; and

(iii) Purchaser Subco shall be deemed to be the transferee of such Company Shares (free and clear of any Liens) and shall be entered in the registers of Company Shareholders maintained by or on behalf of the Company; and

Fifth, and twenty minutes after the Effective Time, the Purchaser Subco Shares issued pursuant to paragraph (i) of the third step above shall be transferred by the holder thereof (free and clear of all Liens) to the Purchaser in consideration for the number of BCE Common Shares that such Company Shareholder is entitled to receive pursuant to Section 4.1 and Section 4.2 of the Plan of Arrangement.

If the Purchaser designates (or is deemed to have designated) that it shall be Purchaser Subco in accordance with the designation provided for in the definition of Purchaser Subco, then under step three, subject to Section 4.1 and 4.2 of the Plan of Arrangement, each Company Share held by a Company Shareholder (other than a Dissenting Holder) shall be transferred free and clear of all Liens in consideration for such Company Shareholder's Cash Amount and Purchaser Share Consideration.

Election

Under the Arrangement, each Company Shareholder may elect to receive in respect of his, her or its Company Shares, the Cash Consideration or the Share Consideration, subject to proration and rounding as described under "The Arrangement — Arrangement Mechanics — Proration" and "The Arrangement — Arrangement Mechanics — No Fractional BCE Common Shares and Rounding of Cash Consideration", respectively. Such elections will be made by depositing with the Depositary, on or prior to the Election Deadline, a duly completed Letter of Transmittal and Election Form indicating such Company Shareholder's election, together with, as applicable, any certificates representing such Company Shareholders' Company Shares.

Provided Company Shareholders approve the Arrangement Resolution and the Final Order is granted, then we will send you a Letter of Transmittal and Election Form following payment of the second quarter 2016 dividend explaining how you can deposit and obtain payment for your Company Shares once the Arrangement is completed. The Letter of Transmittal and Election Form will also be available on our website at www.mts.ca/investors, on our profile on SEDAR at www.sedar.com or by contacting the Depositary.

Letters of Transmittal and Election Forms must be received by the Depositary by not later than 5:00 p.m. (Toronto time) on the Election Deadline. MTS will provide at least four Business Days' notice of the Election Deadline to Company Shareholders by means of a press release disseminated over newswire services in Canada. Any Letter of Transmittal and Election Form, once deposited with the Depositary, will be irrevocable and may not be withdrawn by a Company Shareholder.

Any Company Shareholder who does not deposit with the Depositary a duly completed Letter of Transmittal and Election Form on or prior to the Election Deadline, or otherwise fails to comply with the requirements of the Plan of Arrangement and the Letter of Transmittal and Election Form (including Company Shareholders who duly exercise Dissent Rights but are ultimately not entitled, for any reason, to be paid fair value for Company Shares in respect of which they have exercised Dissent Rights) will be deemed to have elected to dispose of their Company Shares solely for the Cash Consideration, subject to proration and rounding as described under "The Arrangement — Arrangement Mechanics — Proration" and "The Arrangement — Arrangement Mechanics — No Fractional BCE Common Shares and Rounding of Cash Consideration", respectively.

Proration

The Plan of Arrangement provides that (i) the Maximum Cash Consideration that may, in the aggregate, be paid to the Company Shareholders will be equal to an amount in cash equal to the product obtained by multiplying (x) the product of 45% and $40.00, by (y) the aggregate number of issued and outstanding Company Shares at the Effective Time, and (ii) the Maximum Share Consideration that may, in the aggregate, be issued to the Company Shareholders will be equal to a number of BCE Common Shares equal to the product obtained by multiplying (x) the product of 55% and 0.6756, by (y) the aggregate number of issued and outstanding Company Shares at the Effective Time.

In the event that the aggregate amount of cash that would, but for Section 4.2(a) of the Plan of Arrangement, be paid as Cash Consideration to the Company Shareholders in accordance with the elections or deemed elections of such Company Shareholders exceeds the Maximum Cash Consideration, then (i) each Company Shareholder that elected to receive the Share Consideration shall receive the Share Consideration in respect of each of their Company Shares; and (ii) each Company Shareholder that elected or was deemed to have elected to receive the Cash Consideration will receive (A) an amount of cash equal to the product of (x) the Maximum Cash Consideration and (y) the quotient obtained by dividing (I) the number of Company Shares owned by such Company Shareholder by (II) the number of Company Shares in respect of which Company Shareholders elected to or were deemed to have elected to receive the Cash Consideration and (B) a number of BCE Common Shares equal to the product of (x) the quotient obtained by dividing (I) the number of Company Shares owned by such Company Shareholder by (II) the number of Company Shares in respect of which Company Shareholders elected or were deemed to have elected to receive the Cash Consideration by (y) the difference between the Maximum Share Consideration and the number of BCE Common Shares issuable to Company Shareholders that elected to receive the Share Consideration.

In the event that the aggregate number of BCE Common Shares that would, but for Section 4.2(a) of the Plan of Arrangement, be issued to Company Shareholders in accordance with the elections of such Company Shareholders exceeds the Maximum Share Consideration, then (i) each Company Shareholder that elected or was deemed to have elected to receive the Cash Consideration shall receive the Cash Consideration in respect of each of their Company Shares; and (ii) each Company Shareholder that elected to receive the Share Consideration will receive (A) a number of BCE Common Shares equal to the product of (x) the Maximum Share Consideration and (y) the quotient obtained by dividing (I) the number of Company Shares owned by such Company Shareholder by (II) the number of Company Shares in respect of which Company Shareholders elected or were deemed to have elected to receive Share Consideration and (B) an amount of cash equal to the product of (x) the quotient obtained by dividing (I) the number of Company Shares owned by such Company Shareholder by (II) the number of Company Shares in respect of which Company Shareholders elected to receive Share Consideration and (y) the difference between the Maximum Cash Consideration and the amount of cash payable to Company Shareholders that elected or were deemed to have elected to receive the Cash Consideration.

No Fractional BCE Common Shares and Rounding of Cash Consideration

In no event shall a Company Shareholder be entitled to receive a fractional BCE Common Share. Where the aggregate number of BCE Common Shares to be issued to a Company Shareholder would result in a fraction of a BCE Common Share being issuable, (i) the number of BCE Common Shares to be received by such Company Shareholder shall be rounded down to the nearest whole BCE Common Share, and (ii) such Company Shareholder shall receive a cash payment (rounded up to the nearest whole $0.01) equal to the product of (A) the Cash Consideration and (B) the quotient obtained by dividing (x) the remainder of the BCE Common Share by (y) 0.6756.

In addition, if the aggregate cash amount which a Company Shareholder is entitled to receive would otherwise include a fraction of $0.01, then the aggregate cash amount to which such Company Shareholder shall be entitled to receive shall be rounded up to the nearest whole $0.01.

Payment of Consideration

At or before the Effective Time, (i) Purchaser Subco or the Purchaser shall deposit or cause to be deposited with the Depositary, for the benefit of the Company Shareholders entitled to receive cash, the Maximum Cash Consideration, (ii) the Purchaser shall deposit or cause to be deposited with the Depositary, for the benefit of and to be held on behalf of the Company Shareholders entitled to receive BCE Common Shares, certificates representing, or other evidence regarding the issuance of, the Maximum Share Consideration, and (iii) the Company shall deposit or cause to be deposited with the Depositary, for the benefit of and to be held on behalf of the holders of Company Options, DCUs, PSUs and RSUs the aggregate cash amount required for the payments in respect of the Company Options, DCUs, PSUs and RSUs pursuant to the Plan of Arrangement.

Upon the surrender to the Depositary of a certificate which immediately prior to the Effective Time represented outstanding Company Shares, together with a duly completed and executed Letter of Transmittal and Election Form, the Depositary shall deliver to the applicable Company Shareholder, as soon as practicable (i) a cheque (or other form of immediately available funds) representing the cash amount that such Company Shareholder is entitled to receive under the Arrangement, or (ii) the certificate(s) representing, or other evidence of, BCE Common Shares that such Company Shareholder is entitled to receive under the Arrangement, or (iii) the applicable combination thereof, less any amounts withheld.

As soon as practicable after the Effective Time, the Depositary shall deliver to each holder of Company Options, DCUs, PSUs and RSUs (as reflected on the register maintained by or on behalf of the Company in respect of the Company Options, DCUs, PSUs and RSUs) that is subject to this Plan of Arrangement, as applicable, a cheque (or other form of immediately available funds) representing the cash amount that such holder is entitled to receive under the Arrangement, as applicable, less any amounts withheld.

The Depositary will act as the agent of Persons who have deposited Company Shares in connection with the Arrangement, or who are the holders of Company Options, DCUs, PSUs and RSUs as of the Effective Time, for the purpose of receiving payment from BCE, Purchaser Subco or MTS, as the case may be, and transmitting payment from BCE, Purchaser Subco or MTS, as the case may be, to such Persons.

The Depositary will receive reasonable and customary compensation for its services in connection with the Arrangement, will be reimbursed for certain out-of-pocket expenses and will be indemnified by MTS and BCE against certain liabilities in certain circumstances.

Cancellation of Rights after Six Years

In accordance with the Plan of Arrangement, each certificate that immediately prior to the Effective Time represented outstanding Company Shares shall be deemed, after the Effective Time, to represent only the right to receive upon such surrender Cash Consideration or Share Consideration, subject to proration or rounding, in lieu of such certificate. Any such certificate formerly representing outstanding Company Shares not duly surrendered on or before the sixth (6^{th}) anniversary of the Effective Date shall cease to represent a claim by or interest of any former

Company Shareholder of any kind or nature against or in the Purchaser, Purchaser Subco, the Company or the Depositary.

Any payment made by way of cheque by the Depositary or by the Company, pursuant to the Arrangement that has not been deposited or has been returned to the Depositary or the Company or that otherwise remains unclaimed, in each case, on or before the sixth (6^{th}) anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the sixth (6^{th}) anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of any Company Shareholder, Company Option holder, DCU holder, PSU holder and RSU holder to receive the consideration for any Affected Securities pursuant to the Arrangement shall terminate and be deemed to be surrendered and forfeited to Purchaser Subco (or the Company, as applicable) for no consideration.

Dividends and Other Distributions on BCE Common Shares

After the Effective Time, all dividends payable with respect to any BCE Common Shares allotted and issued pursuant to the Arrangement for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary in trust for the registered holder thereof. The Depositary shall pay and deliver to any such registered holder, as soon as reasonably practicable after application therefor is made by the registered holder to the Depositary in such form as the Depositary may reasonably require, such dividends to which such holder is entitled, net of applicable withholding and other taxes.

Expenses of the Arrangement

MTS estimates that expenses in the aggregate amount of approximately $65 million will be incurred by MTS in connection with the Arrangement, including, without limitation, legal, financial advisory, accounting, filing and printing costs, the cost of preparing and mailing this information circular and fees in respect of the Fairness Opinions.

Pursuant to the Arrangement Agreement, all costs and expenses of the parties in connection with the Arrangement are to be paid by the party incurring such expenses, except that certain costs associated with retaining D.F. King to solicit proxies for MTS will be borne by BCE, BCE will pay all filing fees in connection with obtaining the Regulatory Approvals, and BCE has also agreed to reimburse out-of-pocket expenses of D.F. King. MTS and D.F. King have each agreed to indemnify each other against certain liabilities arising out of or in connection with such engagement.

Interests of Certain Persons in the Arrangement

In considering the recommendations of the Board with respect to the Arrangement, Company Shareholders should be aware that directors and officers of MTS have certain interests in connection with the Arrangement as described below that may be in addition to, or separate from, those of Company Shareholders generally in connection with the Arrangement, in the form of payments under existing employment agreements and related incentive arrangements with MTS (in the case of officers) or in the form of payments under the directors' deferred compensation arrangements (in the case of directors), in either case, that may be applicable as a result of the Arrangement. The Board was aware of these interests and considered them along with other matters described herein when recommending approval of the Arrangement by Company Shareholders.

Common Shares

To our knowledge, directors and officers of MTS beneficially own, directly or indirectly, or exercise control or direction over, in the aggregate, 35,878 Company Shares as at May 25, 2016, which represent less than 1% of the issued and outstanding Company Shares. All of the Company Shares held by directors and officers of MTS will be treated in the same fashion under the Arrangement as Company Shares held by any other Company Shareholder.

Company Shares beneficially owned by directors and officers of MTS or over which they exercise control or direction, directly or indirectly, as at May 25, 2016, together with payments to be received in respect thereof upon the Arrangement becoming effective, are presented in the following table:

Name	Company Shares Held (#)	Aggregate Consideration ($)
Non-Management Directors		
Ashleigh Everett	1,300	52,000
Barbara Fraser	-	-
Judi Hand	-	-
Gregory Hanson	-	-
Kishore Kapoor	1,000	40,000
David Leith	5,000	200,000
Sanford Riley	2,360	94,400
Samuel Schellenberg,	2,600	104,000
Carol Stephenson	1,000	40,000
Officers		
Jay Forbes	7,788	311,520
Paul Cadieux	3,776	151,040
Paul Beauregard	6,070	242,800
Marvin Boakye	306	12,240
Brenda McInnes	3,551	142,040
Heather Tulk	1,127	45,080
Total	**35,878**	**1,435,120**

Equity-Based Incentive Awards

DCUs

Upon the Arrangement becoming effective, each DCU outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the DCA Plan shall, without any further action by or on behalf of a holder of DCUs, be deemed to be assigned and transferred by such holder to the Company in exchange for a cash payment from the Company equal to the amount of the Cash Consideration, and each such DCU shall immediately be cancelled. Accordingly, at Closing, each holder of DCUs will be entitled to receive $40.00 for each DCU owned as at the Effective Time, less applicable withholdings.

As at May 25, 2016, the non-management directors of the Company held an aggregate of 210,016 DCUs granted pursuant to the DCA Plan. If the Arrangement is completed, the non-management directors of the Company would receive, in exchange for all DCUs that the non-management directors held as at May 25, 2016, an aggregate of approximately $8.4 million. This amount assumes that no DCUs are redeemed in accordance with the terms of the DCA Plan, and does not include any DCUs that will be granted (a) as dividend equivalent units pursuant to the terms of the DCA Plan, or (b) on a quarterly-basis, as part or all of a non-management director's annual compensation, in all cases after May 25, 2016 and prior to the Effective Time, and as permitted under the Arrangement Agreement and pursuant to the compensation structure for non-management directors of the Company.

The following table sets out, for each non-management director of the Company, the cash amount payable pursuant to the Arrangement for DCUs held by such director as at May 25, 2016:

Name	DCUs[(1)] (#)	Aggregate Consideration ($)
Ashleigh Everett	20,845	833,800
Barbara Fraser	2,950	118,000
Judi Hand	2,457	98,280
Gregory Hanson	27,755	1,110,200
Kishore Kapoor	42,398	1,695,920
David Leith	27,818	1,112,720
Sanford Riley	25,730	1,029,200
Samuel Schellenberg	20,679	827,160
Carol Stephenson	39,384	1,575,360
Total	**210,016**	**8,400,640**

Note:

(1) Does not reflect any DCUs that (I) may be granted (a) as dividend equivalent units pursuant to the terms of the DCA Plan, or (b) on a quarterly-basis, as part of a director's annual compensation, after May 25, 2016 and prior to the Effective Time, as permitted under the Arrangement Agreement and pursuant to the compensation structure for non-management directors of the Company or (II) may be redeemed in accordance with terms of the DCU Plans, after May 25, 2016 and prior to the Effective Time.

Other than in respect of DCUs, no non-management director of the Company will receive any payment as a result of the Arrangement, except with respect to Company Shares beneficially owned by such director, which amounts shall be paid on the same terms as all other Company Shareholders.

Company Options

Upon the Arrangement becoming effective, each Company Option outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the Stock Option Plan, shall be deemed to be unconditionally vested and exercisable, and such Company Option shall, without any further action by or on behalf of a holder of Company Options, be deemed to be assigned and transferred by such holder to the Company in

exchange for a cash payment from the Company equal to the amount (if any) by which the Cash Consideration exceeds the exercise price of such Company Option, and each such Company Option shall immediately be cancelled.

Accordingly, at Closing, each holder of Company Options will receive an amount equal to the difference between $40.00 and the applicable exercise price for each Company Option held as at the Effective Time, less applicable withholdings. If the Arrangement is completed and assuming no vested Company Options are exercised after May 25, 2016 and prior to the Effective Time, the officers of the Company would receive, in exchange for all Company Options held by them as at May 25, 2016, an aggregate of approximately $124,509. MTS has not issued Company Options since 2012. No non-management directors of the Company hold any Company Options.

RSUs and PSUs

For each holder of PSUs or RSUs who BCE designates to be paid out pursuant to the terms of the Plan of Arrangement, such holder's PSUs and/or RSUs will vest and be paid out in accordance with the Plan of Arrangement (for each holder, the aggregate amount to be paid to such holder on account of their PSUs and RSUs under the Plan of Arrangement shall be the Plan of Arrangement Value determined in accordance with the Plan of Arrangement).

With respect to the other holders of RSUs and/or PSUs not so designated by BCE, the obligations of MTS to such holders shall be assumed by BCE from and with effect from the Closing of the Arrangement in accordance with the RSU Plan and/or the PSU Plan, as applicable, and with the terms of the holders' respective employment agreements (i.e., these RSUs and PSUs would be "rolled over" into BCE's long term incentive plans), with the value of such obligations to be equal to what the Plan of Arrangement Value for such holder would have been had they been paid out in accordance with the Plan of Arrangement at the Effective Time. Following the Closing, the Company shall have no further obligations towards such holders under the RSU Plan or the PSU Plan.

As at May 25, 2016, the officers of the Company held 116,679 RSUs and 167,863 PSUs. None of the non-management directors of the Company hold any RSUs or PSUs. The number of RSUs and PSUs held by the officers may change prior to the Effective Time as a result of (I) grants (a) as dividend equivalent units pursuant to the terms of the RSU Plan or PSU Plan, or (b) made in the Ordinary Course, after May 25, 2016 and prior to the Effective Time, in respect the officer's pre-existing compensation plans or in accordance with other changes to compensation arrangements approved by BCE or (II) vesting in accordance with individual grants and the terms of the RSU Plan or PSU Plans or under applicable contractual entitlements, after May 25, 2016 and prior to the Effective Time. For purposes of this information circular, we have assumed that the foregoing does not result in any changes to the numbers of RSUs and PSUs held, and that each officer of the Company is designated by BCE in accordance with the Arrangement Agreement as described above, such that, at Closing, each officer will receive (i) a cash payment equal to $40.00 for each RSU held as at the Effective Time, and (ii) a cash payment equal to $40.00 multiplied by the agreed upon performance factor for each PSU held as at the Effective Time, and in each case less applicable withholdings.

In accordance with the Plan of Arrangement and as approved by the HRCC, acting with the advice of Hugessen Consulting, the independent advisor to the Committee, for each PSU granted in a particular grant year, the following performance factors will be deemed to apply for the officers of the Company, notwithstanding anything to the contrary in any PSU grant agreement:

Grant Year	Performance Period Year[1]				
	2014[2]	2015[2]	2016[3]	2017[4]	2018[4]
2014	71.67%	132%	125%		
2015		132%	125%	100%	
2016			125%	100%	100%

Notes:

(1) For 2014 and 2016 grants, the weightings of each year of the Performance Period is 1/3, 1/3, 1/3. For 2015 grants, the weighting of each year of the Performance Period is 25% in respect of 2015 and 37.5% in respect of each of 2016 and 2017.

(2) Set by the HRCC based on actual results.

(3) Set by the HRCC based on year-to-date results.

(4) Set by the HRCC based on target.

If the Arrangement is completed and all the officers of the Company are designated by BCE in accordance with the Arrangement Agreement as described above, the officers of the Company would receive, in exchange for all RSUs and PSUs held as at May 25, 2016, an aggregate of approximately $4.7 million and $6.7 million, respectively.

Until completion of the Arrangement, RSUs and PSUs will continue to vest in accordance with their terms and any amounts paid in respect of such RSUs and PSUs will not form part of the payments to be made upon completion of the Arrangement.

Potential Payments for Options, RSUs and PSUs

The following table estimates the cash amount payable pursuant to the Arrangement for Incentive Awards held by each officer of the Company, as at May 25, 2016, subject to the assumptions stated above.

	Company Options		**RSUs**		**PSUs**		
Name	**(#)**	**($)**	**(#)**	**($)**	**(#)**	**($)**	**Aggregate Consideration ($)**
Jay Forbes	—	—	49,088	1,963,520	83,149	3,325,960	5,289,480
Paul Cadieux	3,000	4,810	11,324	452,960	17,658	706,320	1,164,090
Paul Beauregard	14,758	106,231	28,847	1,153,880	22,178	887,120	2,147,231
Marvin Boakye	—	—	10,063	402,520	17,015	680,600	1,083,120
Brenda McInnes	12,800	13,468	6,794	271,760	9,967	398,680	683,908
Heather Tulk	—	—	10,563	422,520	17,896	715,840	1,138,360
Total	**30,558**	**124,509**	**116,679**	**4,667,160**	**167,863**	**6,714,520**	**11,506,189**

Potential Payments for Cessation of Employment

MTS has entered into agreements with each of its officers that contemplate consequences (including potential payments) following a change of control of the Company. The Company has entered into employment agreements with each of Jay Forbes (President and Chief Executive Officer), Paul Cadieux (Chief Financial Officer), Heather Tulk (Chief Customer Officer) and Marvin Boakye (Chief Human Resources Officer), pursuant to which (a) the officer may be entitled to certain payments, if the officer's employment with the Company is terminated by the Company without cause or by the officer for good reason within twenty-four months following a change of control (as described in more detail below for each officer), and (b) the officer's unvested Incentive Awards may immediately accelerate, vest and be paid out to the officer, if the officer's employment is terminated by the Company without cause following a change of control or by the officer for good reason within twenty-four months of a change of control. The Company has also entered into historical continuity and surrender agreements with each of Paul Beauregard (Chief Corporate and Strategy Officer & Corporate Secretary) and Brenda McInnes (Vice-President & Treasurer), which are described in more detail below. For the purposes of each of the employment agreements and the continuity and surrender agreements, the Arrangement constitutes a "change of control".

J. Forbes

Mr. Forbes' employment agreement provides that in the event Mr. Forbes' employment with the Company is terminated by the Company without cause or by Mr. Forbes for good reason within twenty-four months of a change of control, he will be entitled to: (a) continued payment of his annual base salary, employee benefits (or payment in lieu thereof), and perquisite allowance for a period of two years following the termination of employment; (b) on the next two dates on which he would have been paid a bonus had his employment not been terminated: (i) if the termination of employment occurs on or before December 31, 2016, the short-term variable bonus at target (i.e. 100% of his annual base salary); or (ii) if the termination of employment occurs after December 31, 2016, the average of his short-term variable bonuses paid in the respect of the previous two calendar years; and (c) an amount equal to the pro-rata short-term variable bonus of his current year of service; and (d) an amount equal to 30% of his base salary (in lieu of the accrual of additional benefits under pension plans).

P. Cadieux

Mr. Cadieux's employment agreement provides that in the event Mr. Cadieux's employment with the Company is terminated by the Company without cause or by Mr. Cadieux for good reason within twenty-four months of a change of control, he will be entitled to: (a) continued payment of his annual base salary, employee benefits (or payment in lieu thereof), and perquisite allowance for a period of 18 months following the termination of employment; (b) on the next date on which he would have been paid a bonus had his employment not been terminated, an amount equal to 1.5 times the average of his short-term variable bonuses paid in the respect of the previous two calendar years; and (c) an amount equal to the pro-rata short-term variable bonus of his current year of service.

H. Tulk

Ms. Tulk's employment agreement provides that in the event Ms. Tulk's employment with the Company is terminated by the Company without cause or by Ms. Tulk for good reason within twenty-four months of a change of control, she will be entitled to: (a) continued payment of her annual base salary, employee benefits (or payment in lieu thereof), and perquisite allowance for a period of 12 months following the termination of employment; (b) on the next date on which she would have been paid a bonus had her employment not been terminated: (i) if the termination of employment occurs between January 1, 2016 and December 31, 2016, the average of the short-term variable bonus at target for 12 months and the actual short-term variable bonus paid for 2015 (annualized for the full year); or (ii) if the termination of employment occurs after December 31, 2016, the average of her short-term variable bonuses paid in the respect of the previous two calendar years; and (c) an amount equal to the pro-rata short-term variable bonus of her current year of service. For every year of completed service by Ms. Tulk, her severance entitlement will increase by one month, to a maximum of 18 months.

M. Boakye

Mr. Boakye's employment agreement provides that in the event Mr. Boakye's employment with the Company is terminated by the Company without cause or by Mr. Boakye for good reason within twenty-four months of a change of control, he will be entitled to: (a) continued payment of his annual base salary, employee benefits (or payment in lieu thereof), and perquisite allowance for a period of 12 months following the termination of employment; (b) on the next date on which he would have been paid a bonus had his employment not been terminated: (i) if the termination of employment occurs between January 1, 2016 and December 31, 2016, the average of the short-term variable bonus at target for 12 months and the actual short-term variable bonus paid for 2015 (annualized for the full year); or (ii) if the termination of employment occurs after December 31, 2016, the average of his short-term variable bonuses paid in the respect of the previous two calendar years; and (c) an amount equal to the pro-rata short-term variable bonus of his current year of service. For every year of completed service by Mr. Boakye, his severance entitlement will increase by one month, to a maximum of 18 months.

P. Beauregard & B. McInnes

Pursuant to continuity agreements with the Company, in the event of involuntary termination of employment (other than for just cause or due to resignation) or constructive termination of employment (which consists of relocation or other material changes in the terms of employment) within twenty-four months of the occurrence of a change of control of the Company, each of Mr. Beauregard and Ms. McInnes is entitled to receive a severance payment in an amount equal to two times the applicable officer's annual compensation, plus a pro-rated amount of the variable bonus that would have been payable if their employment had not been terminated. For purposes of determining the amount of the severance payment, "annual compensation" consists of the aggregate of the officer's annual salary prior to the date of termination, an amount equal to the annual benefits payable prior to the date of termination, and an amount equal to the average of the annual bonus paid in each of the two financial years immediately preceding the year in which the termination of employment occurs. Following the closing of the sale of Allstream, Mr. Beauregard's entitlements under his management continuity and surrender agreements were extended as both parties wished to continue employment.

Pursuant to surrender agreements between the Company and each of Mr. Beauregard and Ms. McInnes, in the event of a change of control of the Company, all unvested Incentive Awards will immediately vest.

Cessation of Employment Potential Payments Table

Assuming that the Arrangement is completed, and subject to all of the earlier assumptions and further assuming the requisite cessation of employment (if any) for each such officer referred to above occurred on May 26, 2016, the following table outlines the approximate payments to which each officer would be entitled:

Officer	Salary ($)	Annual Bonus Payment[(1)] ($)	Employee Benefits[(2)] ($)	Total Termination Payment[(3)] ($)
Jay Forbes	1,500,000	1,500,000	375,000	3,375,000
Paul Cadieux	600,000	162,641	67,134	829,775
Paul Beauregard	765,000	393,612	284,988	1,443,600
Marvin Boakye	382,500	186,134	44,946	613,580
Brenda McInnes	461,800	170,775	83,235	715,810
Heather Tulk	414,375	206,426	47,962	668,763

Notes:

(1) Amount includes the "Annual Bonus Payment" component of severance, and does not include the in-year variable pay plan earned and accrued in the Ordinary Course, which would not form part of the termination payment.

(2) For Mr. Beauregard and Ms. McInnes, includes estimate of entitlement for compensatory pension payments.

(3) As discussed above, all Incentive Awards held by the officers may also vest and be paid out as described herein.

Insurance and Indemnification of Directors and Officers

The Arrangement Agreement provides that MTS will purchase customary "tail" policies of directors' and officers' liability insurance from insurers rated "A" or higher by A.M. Best or Standard & Poor's providing protection no less favourable in the aggregate to the protection provided by the current policies maintained by the Company and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective

Date, and BCE will maintain such tail policies in effect without any reduction in scope or coverage for six years from the Effective Date.

The Arrangement Agreement also provides that BCE shall honor all rights to indemnification or exculpation currently existing in favour of present and former employees, officers and directors of the Company and its Subsidiaries and such rights will survive the completion of the Arrangement and shall continue in full force and effect in accordance with their terms for a period of not less than six years from the Effective Date.

Intentions of MTS Directors and Officers

The directors and officers of MTS, who beneficially own, directly or indirectly, or exercise control or direction over, in the aggregate, 35,878 Company Shares as at May 20, 2016, which represent approximately 0.05% of the issued and outstanding Company Shares, have indicated that they intend to vote in favour of the Arrangement Resolution and have entered into Support and Voting Agreements. See "The Arrangement — Support and Voting Agreements".

Sources of Funds for the Arrangement

Pursuant to the terms of the Plan of Arrangement, as at May 25, 2016, an aggregate cash amount of approximately $1.336 billion (based on the issued and outstanding Company Shares as of May 25, 2016) is expected to be paid by Purchaser Subco to acquire all of the issued and outstanding Company Shares (assuming no Company Shareholders exercise their Dissent Rights). BCE expects that such payment by Purchaser Subco will be funded from available sources of liquidity to be subsequently replaced by permanent financing consisting of long-term debt to be issued in the capital markets.

Pursuant to the terms of the Plan of Arrangement, as at May 25, 2016, an aggregate amount of approximately $26 million is expected to be paid by MTS in respect of all outstanding Company Options and DCUs as well as to holders of RSUs and PSUs (assuming all holders of RSUs and PSUs will be paid out pursuant to the terms of the Plan of Arrangement and that no holders of Company Options, DCUs, RSUs and PSUs exercise or settle any outstanding Incentive Awards prior to the Effective Date). The foregoing does not reflect any additional DCUs, RSUs and/or PSUs that may be granted after May 25, 2016 as dividend equivalent units pursuant to, and in accordance with, the terms of the DCA Plan, the RSU Plan and/or the PSU Plan, as applicable.

MTS currently expects to have sufficient funds available through its existing credit facilities as at the Effective Date to meet its payment obligations pursuant to the Plan of Arrangement.

SUMMARY OF ARRANGEMENT AGREEMENT

The Arrangement Agreement and the Plan of Arrangement are the legal documents that govern the Arrangement. This section of the information circular describes the material provisions of the Arrangement Agreement but does not purport to be complete and may not contain all of the information about the Arrangement Agreement that is important to you. This summary is qualified in its entirety by reference to the full text of the Arrangement Agreement, which is available under MTS' profile on SEDAR at www.sedar.com. We encourage you to read the Arrangement Agreement in its entirety. The Arrangement Agreement establishes and governs the legal relationship between MTS and BCE with respect to the transactions described in this information circular. This summary is not intended to be a source of factual, business or operational information about MTS or BCE.

Covenants

Conduct of Business of MTS

MTS covenanted and agreed that, during the period from May 1, 2016 through the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, MTS shall and shall cause each of its Subsidiaries to, conduct its business in the Ordinary Course and in accordance with Laws and MTS shall use commercially reasonable efforts to maintain and preserve its and its Subsidiaries' business organization, assets, properties, employees, goodwill and business relationships with customers, suppliers, partners and other Persons with which MTS or any of its Subsidiaries has material business relations, except with the prior written consent of BCE (which shall not be unreasonably withheld, delayed or conditioned), as required or permitted by the Arrangement Agreement, as required by Law, or as contemplated by in the Company Disclosure Letter.

MTS has further covenanted and agreed that, without limiting the generality of the foregoing, except with the prior written consent of BCE (which shall not be unreasonably withheld, delayed or conditioned), as required or permitted by the Arrangement Agreement, as required by Law, or as contemplated by the Company Disclosure Letter, MTS shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(a) amend any of MTS' constating documents or the articles of incorporation, articles of amalgamation, by-laws or similar organizational documents of any of its Subsidiaries;

(b) split, combine or reclassify any shares of MTS or of any Subsidiary or, except for Permitted Dividends, declare, set aside or pay any dividends or make any other distributions;

(c) redeem, repurchase, or otherwise acquire or offer to redeem, repurchase or otherwise acquire any shares of capital stock of MTS or any of its Subsidiaries, except for: (i) the purchase in the secondary market of Company Shares pursuant to the settlement of any outstanding RSUs or PSUs; (ii) the reinvestment of dividends pursuant to the DRIP; or (iii) pursuant to the ESOP in the Ordinary Course and in accordance with past practice;

(d) issue, grant, deliver, sell, pledge or otherwise encumber, or authorize the issuance, grant, delivery, sale, pledge or other encumbrance of, any shares of capital stock or any options, warrants or similar rights exercisable or exchangeable for or convertible into such capital stock, of MTS' or any of its Subsidiaries, except for: (i) the issuance or purchase in the secondary market, as applicable, of Company Shares issuable upon the exercise of the currently outstanding Company Options or pursuant to the settlement of any outstanding RSUs or PSUs, or the issuance of dividend equivalents under the DCA Plan, the PSU Plan or the RSU Plan; (ii) the issuance of DCUs, RSUs and PSUs in the Ordinary Course and in accordance with past practice or cash bonuses in lieu thereof; (iii) the reinvestment of dividends pursuant to the DRIP; or (iv) pursuant to the ESOP in the Ordinary Course and in accordance with past practice;

(e) acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, in one transaction or in a series of related transactions, any assets, securities, properties, interests or businesses having a cost, on a per transaction or series of related transactions basis, in

excess of $5 million and subject to a maximum of $10 million for all such transactions, other than Ordinary Course acquisitions of inventory or Ordinary Course acquisitions under procurement contracts;

(f) sell, lease or otherwise transfer, directly or indirectly, in one transaction or in a series of related transactions, any of MTS' or its Subsidiaries' assets which have a value greater than $5 million in the aggregate, other than the sale, lease, disposition or other transfer of inventories or other assets in the Ordinary Course;

(g) make any capital expenditure or commitment to do so which, in any fiscal year, exceeds the aggregate amount of capital expenditures provided for in the annual budgets of MTS approved by the Board for the applicable fiscal year, and in any event, such capital expenditures or commitments shall not be greater than $220 million in any fiscal year;

(h) reorganize, amalgamate or merge MTS or any such Subsidiary;

(i) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of MTS or any such Subsidiaries;

(j) make any material Tax election, information schedule, return or designation, settle or compromise any material Tax claim, assessment, reassessment or liability, file any materially amended Tax Return, file any notice of appeal or otherwise initiate any Action with respect to Taxes, enter into any material agreement with a Governmental or Arbitral Entity with respect to Taxes, surrender any right to claim a material Tax abatement, reduction, deduction, exemption, credit or refund, consent to the extension or waiver of the limitation period applicable to any material Tax matter or materially amend or change any of its methods of reporting income, deductions or accounting for income Tax purposes except as may be required by Law, or take any action or enter into any transaction that would have the effect of reducing or eliminating the amount of the tax cost "bump" pursuant to paragraphs 88(1)(c) and (d) of the Tax Act otherwise available to BCE and/or its affiliates in respect of any property owned or to be owned directly or indirectly by MTS or its affiliates;

(k) prepay any long-term indebtedness (including indebtedness outstanding under medium term notes) before its scheduled maturity, other than repayments of indebtedness under credit facilities, provided that no material breakage or other costs or penalties are payable in connection with any such prepayment;

(l) create, incur, assume or otherwise become liable, in one transaction or in a series of related transactions, with respect to any indebtedness for borrowed money or guarantees thereof in an amount, on a per transaction or series of related transactions basis, in excess of $25 million;

(m) make any loan or advance to, or assume, guarantee or otherwise become liable with respect to the liabilities or obligations of, any Person (other than in respect of a liability or obligation incurred by a wholly-owned Subsidiary that is not restricted hereunder from incurring that liability or obligation);

(n) make any material change in MTS' accounting principles, except as required by concurrent changes in IFRS, or pursuant to written instructions, comments or orders of a Securities Authority;

(o) except in the Ordinary Course or as required under the terms of any Collective Agreement, grant any increase in the rate of wages, salaries and bonuses of MTS employees;

(p) enter into any collective agreement or union agreement or amend, modify, terminate or waive any right under the Collective Agreements or agree to any such amendment, modification, termination or waiver of rights;

(q) increase any severance, change of control or termination pay to (or amend any existing Contract in this regard from that in effect on the date of the Arrangement Agreement with) any officer or director of MTS or any of its Subsidiaries; (ii) increase the benefits payable under any existing severance or termination pay policies with any officer or director of MTS or any of its Subsidiaries; or (iii) except as permitted by the Arrangement Agreement, enter into or amend any employment, deferred compensation or other similar Contract (or amend any such existing Contract) with any director or officer of MTS or its Subsidiaries;

(r) adopt any new Employee Plan or amend or modify, in any material way, an existing Employee Plan;

(s) commence, waive, release, assign, settle or compromise any Actions in excess of an amount of $5 million individually or $25 million in the aggregate or which would reasonably be expected to impede, prevent or delay the consummation of the transactions contemplated by the Arrangement Agreement;

(t) amend or modify in any material respect or terminate or waive any material right under any Material Contract or enter into any contract or agreement that would be a Material Contract if in effect on the date of the Arrangement Agreement;

(u) except as contemplated herein, amend, modify, terminate, cancel or let lapse any material insurance (or re-insurance) policy of MTS or any Subsidiary in effect on the date of the Arrangement Agreement unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing rated "A" or higher by A.M. Best or Standard & Poor's providing coverage equal to or greater than the coverage under the terminated, cancelled or lapsed policies for substantially similar premiums are in full force and effect;

(v) sell, assign, lease, contribute, subordinate or otherwise transfer any wireless spectrum to the JV;

(w) fund any pension solvency deficit, except as required by Law;

(x) to the extent that the JV is required to obtain the consent of MTS or its Subsidiaries under any Contract, provide any consent under such Contract that would permit the JV to take any action that would be restricted under Section 4.1(2) of the Arrangement Agreement if the JV was a Subsidiary of MTS; or

(y) authorize, agree, resolve or otherwise commit to do any of the foregoing.

MTS has further covenanted and agreed to:

(a) not amend, modify or terminate certain Material Contracts, except as contemplated by the Company Disclosure Letter;

(b) not, and not allow MTS Inc. to, assign any of its wireless subscribers to another Person without the prior written consent of BCE; or

(c) until the earlier of the Effective Date and the termination of the Arrangement Agreement in accordance with its terms: (i) duly and timely file with the appropriate Governmental or Arbitral Entity all material Tax Returns required to be filed by it, which shall be correct and complete in all material respects, and (ii) pay, withhold, collect and remit to the appropriate Governmental or Arbitral Entity in a timely fashion all amounts required to be so paid, withheld, collected or remitted. MTS shall keep BCE reasonably informed of any material events, discussions, notices or changes with respect to any Tax or regulatory investigation or any other investigation by a Governmental or Arbitral Entity or action involving MTS or any of its Subsidiaries (other than

ordinary course communications which could not reasonably be expected to be material to MTS). MTS will consider in good faith any reasonable requests by BCE that MTS or its Subsidiaries take any action regarding Tax filing matters, including the filing of notices of appeal and other actions in respect of notices of objection from the CRA relating to non-capital losses/tax pools (provided that, for greater certainty, MTS shall be obligated pursuant to Section 4.1(2)(j) of the Arrangement Agreement not to take any action regarding such matters without the consent of BCE). BCE may request that MTS take or cause its Subsidiaries to take any action referred to in this paragraph where such action is necessary to preserve MTS or relevant Subsidiary's rights (including, without limitation, due to the potential expiry of any limitation or statute-barring period). MTS may only refuse such requests where, acting reasonably (and providing evidence of the same to BCE) such actions would be illegal, harm MTS or jeopardize other tax positions.

Conduct of Business of BCE

During the period from May 1, 2016 through the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, BCE shall not, directly or indirectly:

(a) split, combine, reclassify or amend the terms of the Purchaser Shares;

(b) amend its articles of amalgamation, by-laws or other constating documents in any manner that would have a material and adverse impact on the value of the Purchaser Shares;

(c) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of BCE; or

(d) authorize, agree, resolve or otherwise commit to do any of the foregoing.

Regarding the Arrangement

Subject to provisions with respect to Cooperation Regarding Reorganization (as described below), each of MTS and BCE has agreed to use its reasonable best efforts to take, or cause to be taken, all actions and to do or cause to be done all things required or advisable under Law to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by the Arrangement Agreement, including:

(a) using reasonable best efforts to satisfy, or cause the satisfaction of, all conditions precedent in the Arrangement Agreement and take all steps set forth in the Interim Order and Final Order applicable to it and comply promptly with all requirements imposed by Law on it or its Subsidiaries with respect to the Arrangement Agreement or the Arrangement;

(b) using reasonable best efforts to obtain, as soon as practicable following execution of the Arrangement Agreement, and maintain all third party or other consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are (i) necessary to be obtained under the Material Contracts in connection with the Arrangement or the Arrangement Agreement, or (ii) required in order to maintain the Material Contracts in full force and effect following completion of the Arrangement, in each case, on terms that are reasonably satisfactory to BCE;

(c) using reasonable best efforts to obtain all Regulatory Approvals and effect all necessary registrations, filings and submissions of information required by Governmental Entities from it and its Subsidiaries relating to the Arrangement Agreement or the Arrangement;

(d) using reasonable best efforts to oppose, lift or rescind any Award seeking to restrain, enjoin or otherwise prohibit or delay or otherwise adversely affect the consummation of the Arrangement and defend, or cause to be defended, any Actions to which it is a party or brought against it or its directors or officers challenging the Arrangement or the Arrangement Agreement; and

(e) not taking any action, or refrain from taking any commercially reasonable action, or permitting any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement.

MTS has further covenanted and agreed to promptly notify BCE in writing of:

(a) any Company Material Adverse Effect;

(b) any notice or other written communication from any Person (A) alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with the Arrangement Agreement or the Arrangement, or (B) to the effect that such Person is terminating or otherwise materially adversely modifying its relationship with MTS or any of its Subsidiaries or the JV as a result of the Arrangement or the Arrangement Agreement; or

(c) any material filings, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving MTS or any of its Subsidiaries or the JV that relate to the Arrangement Agreement or the Arrangement.

BCE has agreed to use its best efforts to obtain and maintain in force the Stock Exchange Approvals and has further covenanted and agreed to promptly notify MTS in writing of:

(a) any Purchaser Material Adverse Effect;

(b) any notice or other written communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with the Arrangement Agreement or the Arrangement; or

(c) any material filings, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving BCE or any of its Subsidiaries or the JV that relate to the Arrangement Agreement or the Arrangement.

Cooperation Regarding Reorganization

MTS has covenanted and agreed to, and to cause each of its Subsidiaries to, upon the reasonable request by BCE, use commercially reasonable efforts to: (i) effect such reorganizations of MTS' or its Subsidiaries' business, operations and assets as BCE may request, acting reasonably, including amalgamations, wind-ups and any other transaction (each a "**Contemplated Reorganization Transaction**"); and (ii) co-operate with BCE and its advisors in order to determine the manner in which any such Contemplated Reorganization Transactions might most effectively be undertaken; provided that any Contemplated Reorganization Transaction: (i) is not, in the opinion of MTS or MTS' counsel, acting reasonably, prejudicial to the Affected Securityholders; (ii) does not require MTS to obtain the approval of the Company Shareholders and does not require BCE to obtain the approval of its shareholders; (iii) does not impede, delay or prevent the receipt of any Regulatory Approvals or the satisfaction of any other conditions set forth in Article 6 of the Arrangement Agreement; (iv) does not impair, impede or delay the consummation of the Arrangement; (v) is effected no earlier than seven (7) days prior to the Effective Time; (vi) does not result in any breach by MTS or any of its Subsidiaries of any Contract or Authorization or any breach by MTS of its constating documents or by any of its Subsidiaries of their respective organizational documents or Law; (vii) does not require the directors, officers, employees or agents of MTS or its Subsidiaries or the JV to take any action in any capacity other than as a director, officer or employee; and (viii) shall not become effective unless BCE has irrevocably waived or confirmed in writing the satisfaction of all conditions in its favour under the Arrangement Agreement and shall have irrevocably confirmed in writing that it is prepared, and able to promptly and without condition (other than compliance with Section 4.5 of the Arrangement Agreement) immediately proceed to effect the Arrangement.

BCE shall provide written notice to MTS of any proposed Contemplated Reorganization Transaction at least 15 Business Days prior to the Effective Date. Upon receipt of such notice, BCE and MTS shall prepare all documentation necessary and do all such other acts and things as are reasonably necessary to give effect to such Contemplated Reorganization Transaction prior to the time it is to be effected. If the Arrangement is not completed, BCE shall: (i) forthwith reimburse MTS for all costs and expenses, including reasonable legal fees and disbursements, incurred in connection with any proposed Contemplated Reorganization Transaction; and (ii) indemnify MTS, its Subsidiaries and their respective directors, officers, employees, agents and representatives for any liabilities, losses, damages, claims, costs, expenses, interest awards, judgements and penalties suffered or incurred by any of them in connection with or as a result of any Contemplated Reorganization Transaction, or to reverse or unwind any Contemplated Reorganization Transaction. BCE agrees that any Contemplated Reorganization Transaction will not be considered in determining whether a representation, warranty or covenant of MTS under the Arrangement Agreement has been breached (including where any such Contemplated Reorganization Transaction requires the consent of any third party).

Regulatory Approvals

Notwithstanding any other provision of the Arrangement Agreement:

(a) BCE has agreed and covenanted to, as soon as reasonably practicable and in any event within 15 Business Days following the date of the Arrangement Agreement or such other period of time as may be agreed to by the Parties:

(i) file with the Commissioner of Competition a pre-merger notification pursuant to Part IX of the Competition Act in relation to the transactions contemplated by the Arrangement Agreement; and

(ii) file with the Commissioner of Competition a competition brief in respect of the transactions contemplated by the Arrangement Agreement requesting an advance ruling certificate under section 102 of the Competition Act or in the alternative a No Action Letter;

(b) MTS has agreed and covenanted to, as soon as reasonably practicable and in any event within 15 Business Days following the date of the Arrangement Agreement or such other period of time as may be agreed to by the Parties, file a pre-merger notification pursuant to Part IX of the Competition Act in relation to the transactions contemplated by the Arrangement Agreement;

(c) the Parties shall, as soon as reasonably practicable and in any event within 15 Business Days following the date of the Arrangement Agreement or such other period of time as may be agreed to by the Parties:

(i) seek informal, non-binding advice on a confidential basis from ISED Canada with respect to the transfer of the ISED Licenses as contemplated in the Arrangement Agreement, and as promptly as practicable after receiving any non-binding advice from ISED Canada, but in any event not later than 45 days following the date of the Arrangement Agreement or such other period of time as may be agreed to by the Parties, file an application, including all required related documents and instruments, for the ISED Approval; and

(ii) file an application, including all required related documents and instruments, for the CRTC Approval;

(d) BCE has agreed and covenanted to use its reasonable best efforts to obtain the Competition Act Clearance, the CRTC Approval and the ISED Approval as soon as reasonably practicable but, in any event, so as to allow the Effective Time to occur prior to the Outside Date, including, without limitation, by proposing, negotiating, agreeing to and effecting, by undertaking, commitment, consent agreement, trust, hold separate agreement or otherwise (and by executing and delivering

any additional instruments necessary to allow the consummation of the Arrangement and to fully carry out the intention of the Arrangement Agreement): (a) the sale, divestiture, licensing, holding separate or disposition of all or any part of the businesses or assets of BCE, its affiliates, MTS or its affiliates; and (b) the termination of any existing contractual rights, relationships and obligations, or entry into or amendment of any licensing arrangements or other contractual relationships; provided, however, that (x) any such action is conditioned upon the completion of the transactions contemplated hereby and (y) nothing in the Arrangement Agreement shall require BCE to propose, negotiate, agree to, effect or otherwise become subject to a Material Remedy;

(e) BCE may file, on behalf of and in collaboration with MTS, all required documents and instruments in order to obtain the approval of the CRTC and/or ISED for any reorganization referred to in Section 4.5 of the Arrangement Agreement, including any Contemplated Reorganization Transaction (the "**CRTC Reorganization Approval**" or the "**ISED Reorganization Approval**", as applicable, and together, the "**Reorganization Approvals**");

(f) the Parties shall not, and shall not allow any of their Subsidiaries to, take any action or enter into any transaction, including any merger, acquisition, business combination, joint venture, disposition, lease or contract, that would reasonably be expected to prevent, delay or impede the obtaining of, or increase the risk of not obtaining, the Competition Act Clearance, the CRTC Approval, the CRTC Reorganization Approval, the ISED Approval or the ISED Reorganization Approval, or otherwise prevent, delay or impede the consummation of the transactions contemplated by the Arrangement Agreement; and

(g) if any objections are asserted with respect to the transactions contemplated by the Arrangement Agreement under any Law, or if any proceeding is instituted or threatened by or before any Governmental or Arbitral Entity challenging or which could lead to a challenge of any of the transactions contemplated by the Arrangement Agreement as not in compliance with Law or as not satisfying any applicable legal text under a Law, BCE shall use its reasonable best efforts to resolve such objection or proceeding so as to allow the Effective Time to occur prior to the Outside Date, including by using its reasonable best efforts to avoid, oppose or seek to have lifted or rescinded any decree, order, application or judgment that would restrain, prevent or delay the Closing or impose a Material Remedy and defending any lawsuit or other legal proceedings, whether judicial or administrative, challenging or delaying the Arrangement Agreement or the consummation of the Arrangement; provided, however, that nothing in the Arrangement Agreement shall require BCE to propose, negotiate, agree to, effect or otherwise become subject to a Material Remedy.

Subject to the covenant with respect to Access to Information and Confidentiality (as set forth below), each of MTS and BCE has agreed and covenanted to:

(a) cooperate with one another in preparing all applications and filings for the Regulatory Approvals and the Reorganization Approvals and in connection with obtaining the Regulatory Approvals and the Reorganization Approvals, including providing or submitting on a timely basis all documentation and information that is required, or in the reasonable opinion of either Party, advisable, in connection with obtaining the Regulatory Approvals and the Reorganization Approvals;

(b) permit the other Party to review in advance any proposed applications, notices, filings and submissions to Governmental Entities (including responses to requests for information and inquiries from any Governmental or Arbitral Entity) in respect of obtaining or concluding the Regulatory Approvals and the Reorganization Approvals, and will provide the other Party a reasonable opportunity to comment thereon and consider those comments in good faith;

(c) promptly provide the other Party with any filed copies of applications, notices, filings and submissions, (including responses to requests for information and inquiries from any

Governmental or Arbitral Entity) that were submitted to a Governmental or Arbitral Entity in respect of obtaining or concluding the Regulatory Approvals and the Reorganization Approvals;

(d) promptly notify the other Party if it becomes aware that any application, filing, document or other submission for any Regulatory Approval or Reorganization Approval contains a Misrepresentation, such that an amendment or supplement may be required or advisable, in which case, the Party making the application, filing, document or other submission that contained the Misrepresentation shall, in consultation with and subject to the prior approval of the other Party, cooperate in the preparation, filing and dissemination, as applicable, of any such amendment or supplement;

(e) use its reasonable best efforts to respond promptly to any request or notice from any Governmental or Arbitral Entity requiring the Parties, or either of them, to supply additional information that is relevant to the review of the transactions contemplated by the Arrangement Agreement in respect of obtaining or concluding the Regulatory Approvals and the Reorganization Approvals and to cause all applicable waiting periods to expire as promptly as practicable;

(f) request that the Regulatory Approvals and the Reorganization Approvals be processed by the applicable Governmental or Arbitral Entity on an expedited basis and, to the extent that a public hearing is held, request the earliest possible hearing date for the consideration of the Regulatory Approvals and the Reorganization Approvals;

(g) not participate in any substantive meeting or discussion (whether in person, by telephone or otherwise) with Governmental Entities in respect of obtaining or concluding the Regulatory Approvals or the Reorganization Approvals unless it consults with the other Party in advance and gives the other Party or its legal counsel the opportunity to attend and participate thereat, unless a Governmental or Arbitral Entity requests otherwise; and

(h) keep the other Party promptly informed of the status of discussions with any Governmental or Arbitral Entity relating to obtaining or concluding the Regulatory Approvals and the Reorganization Approvals and promptly notify the other Party of any material notice or other material communication (including any correspondence and deficiency responses) from any Governmental or Arbitral Entity in connection with the Regulatory Approvals and the Reorganization Approvals.

MTS and BCE have further agreed that any submissions, filings or other written communications with the Governmental or Arbitral Entity may be redacted as necessary before sharing with the other Party to address reasonable attorney-client or other privilege or confidentiality concerns, provided that a Party shall provide external legal counsel to the other Party non-redacted versions of drafts or final submissions, filings or other written communications with any Governmental or Arbitral Entity on the basis that the redacted information will not be shared with its clients.

BCE and/or any of its affiliates has agreed to pay all filing fees in connection with obtaining the Regulatory Approvals.

Access to Information; Confidentiality

(a) From the date of the Arrangement Agreement until the earlier of the Effective Time and the termination of the Arrangement Agreement, subject to Law and the terms of any existing Contracts, MTS has agreed and covenanted to: (i) give to BCE and its representatives reasonable access to the Books and Records and Material Contracts of MTS and its Subsidiaries and subject to paragraph (c) below, its personnel, during normal business hours and in such manner as not to interfere unreasonably with the conduct of the business of MTS and its Subsidiaries; and (ii) furnish to BCE and its representatives such financial and operating data and other information as such Persons may reasonably request.

(b) Neither BCE nor any of its representatives will contact any MTS employees, or any contractual counterparts of MTS or its Subsidiaries (in their capacity as such), except after consultation with and the approval of Paul Beauregard, which shall not be unreasonably withheld.

(c) Notwithstanding any provision of the Arrangement Agreement, MTS shall not be obligated to provide access to, or to disclose, any information to BCE if MTS reasonably determines that such access or disclosure would jeopardize any attorney client or other privilege claim by MTS or any of its Subsidiaries, taking into account the ability to share information under the Information Sharing Procedures.

(d) Investigations made by or on behalf of BCE, whether under Section 4.8 of the Arrangement Agreement or otherwise, will not waive, diminish the scope of, or otherwise affect any representation or warranty made by MTS in the Arrangement Agreement.

(e) For greater certainty, BCE has agreed that it and its affiliates will treat, and cause its representatives to treat, all information furnished to BCE or any of its affiliates or representatives in connection with the transactions contemplated by the Arrangement Agreement or pursuant to the terms of the Arrangement Agreement in accordance with the terms of the Confidentiality Agreement. Without limiting the generality of the foregoing, BCE has acknowledged and agreed that the Company Disclosure Letter and all information contained in it is confidential and shall be treated in accordance with the terms of the Confidentiality Agreement.

Public Communications

Except as required by Law, MTS and BCE have agreed and covenanted that neither Party may issue any press release or make any other public statement or disclosure with respect to the Arrangement Agreement or the Arrangement without the consent of the other Party (which consent shall not be unreasonably withheld or delayed); provided that any Party that, in the opinion of its legal counsel, is required to make disclosure by Law shall use its best efforts to give the other Party prior oral or written notice and a reasonable opportunity to review and comment on the disclosure. The Party making such disclosure shall give reasonable consideration to any comments made by the other Party or its counsel, and if such prior notice is not possible, shall give such notice immediately following the making of such disclosure.

Insurance and Indemnification

Prior to the Effective Date, MTS has agreed to purchase customary "tail" or "run off" policies of directors' and officers' liability insurance from insurers rated "A" or higher by A.M. Best or Standard & Poor's providing protection no less favourable in the aggregate than the protection provided by the policies maintained by MTS and its Subsidiaries which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date and BCE has agreed to, or to cause its Subsidiaries to, maintain such tail policies in effect without any reduction in scope or coverage for six (6) years from the Effective Date; provided that BCE will not be required to pay any amounts in respect of such coverage prior to the Effective Time.

BCE has further agreed and covenanted to, from and after the Effective Time, honour all rights to indemnification or exculpation existing in favour of present and former employees, officers and directors of the Company and its Subsidiaries on the date of the Arrangement Agreement and acknowledged that such rights shall survive the completion of the Plan of Arrangement and shall continue in full force and effect in accordance with their terms for a period of not less than six (6) years from the Effective Date.

Employee Matters

From and after the Effective Time, BCE has agreed and covenanted to honour and perform, or cause MTS to honour and perform, all of the obligations of MTS and any of its Subsidiaries under employment and other agreements with current or former MTS employees; provided that this covenant shall not give any MTS employee any right to continued employment or impair in any way the right of MTS or any of its Subsidiaries to terminate the employment of any MTS employee.

Manitoba Reorganization Act

From and after the Effective Time, BCE has agreed and covenanted to cause MTS to comply with the Manitoba Reorganization Act.

TSX De-listing

Subject to Laws, BCE and MTS shall use their commercially reasonable efforts to cause the Company Shares to be de-listed from the TSX with effect immediately following the acquisition by BCE of the Company Shares pursuant to the Arrangement.

Representations and Warranties

The Arrangement Agreement contains certain representations and warranties of MTS relating to the following: organization and qualification; corporate authorization; execution and binding obligation; governmental authorization; non-contravention; capitalization; subsidiaries; securities law matters; financial statements; books and records; disclosure controls and internal control over financial reporting; absence of certain changes; no undisclosed liabilities; compliance with laws; litigation; taxes; employees; employee plans; collective agreements; environmental matters; real property; personal property; intellectual property; title to the assets; material contracts; insurance; licences; related party transactions; and wireless subscribers. The representations and warranties of the Company are subject to the disclosure in the Company Filings and the Company Disclosure Letter.

The Arrangement Agreement contains certain representations and warranties of BCE relating to the following: organization and qualification; corporate authorization; execution and binding obligation; governmental authorization; non-contravention; securities law matters; BCE Common Shares; security ownership; financial statements; absence of certain changes; no undisclosed liabilities; disclosure controls and internal control over financial reporting; litigation; sufficient funds; and residency and ownership restrictions. The representations and warranties of BCE are subject to the disclosure in the Purchaser Filings.

Conditions Precedent to Closing

The following conditions precedent to Closing are for the benefit of BCE and/or MTS, as applicable. The conditions precedent will be conclusively deemed to have been satisfied, waived or released when the Certificate of Amendment is issued by the Director. For greater certainty, and notwithstanding the terms of any escrow agreement entered into between BCE and the Depositary, all funds and any irrevocable direction for the issuance of Purchaser Shares held in escrow by the Depositary pursuant to the Arrangement Agreement shall be deemed to be released from escrow when the Certificate of Amendment is issued by the Director.

Mutual Conditions Precedent

BCE and MTS are not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions may only be waived, in whole or in part, by the mutual consent of BCE and MTS, provided that, with respect to the condition set out in (d) below, BCE may, without the consent of MTS, waive the requirement to receive a No Action Letter as set out in paragraph (ii)(B) of the definition of "Competition Act Clearance":

(a) the Arrangement Resolution has been approved and adopted by the Company Shareholders at the Company Meeting in accordance with the Interim Order;

(b) the Interim Order and the Final Order have each been obtained on terms consistent with the Arrangement Agreement, and have not been set aside or modified in a manner unacceptable to either MTS or BCE, each acting reasonably, on appeal or otherwise;

(c) no Law is in effect that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins MTS or BCE and/or its affiliates from consummating the Arrangement, and there shall be no pending material Action (or Award arising therefrom) for the purpose of prohibiting or enjoining MTS or BCE from consummating the Arrangement;

(d) each of the Required Regulatory Approvals has been made, given, obtained or satisfied and is in force and has not been rescinded or amended in such a way as to require or potentially require a Material Remedy as a condition to maintaining such approval; and

(e) the Stock Exchange Approvals have been obtained and are in force and have not been rescinded.

Additional Conditions Precedent to the Obligations of BCE

BCE and/or its affiliates is not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions are for the exclusive benefit of BCE and may only be waived, in whole or in part, by BCE in its sole discretion:

(a) (i) the representations and warranties of MTS with respect to wireless subscribers are true and correct in all respects as of the Effective Time other than *de minimis* inaccuracies; (ii) the representations and warranties of MTS with respect to Material Contracts insofar as they relate to the completeness and accuracy of disclosed Material Contracts were true and correct in all material respects as of the date of the Arrangement Agreement; and (iii) the remaining representations and warranties of MTS set forth in the Arrangement Agreement are true and correct as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not have a Company Material Adverse Effect (and, for this purpose, any reference to "material", "Company Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored); and MTS has delivered a certificate confirming same to BCE, executed by two senior officers of MTS (in each case without personal liability) addressed to BCE and dated the Effective Date;

(b) MTS has fulfilled or complied (i) in all respects with the covenants set forth in Section 4.1(3) and Section 4.1(4) of the Arrangement Agreement, other than breaches that, in the aggregate, are *de minimis*; and (ii) in all material respects with each of the remaining covenants of MTS contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and MTS has delivered a certificate confirming same to BCE, executed by two senior officers of MTS (in each case without personal liability) addressed to BCE and dated the Effective Date;

(c) the Company Shareholders shall not have exercised their Dissent Rights in connection with the Arrangement with respect to more than 15% of the outstanding Company Shares; and

(d) there shall be no Award that is in force which would result in a Company Material Adverse Effect, and there shall be no Action pending or threatened (other than frivolous or vexatious Actions) against or involving MTS or its Subsidiaries that, if decided against MTS or its Subsidiaries, would result in a Company Material Adverse Effect.

Additional Conditions Precedent to the Obligations of MTS

MTS is not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions are for the exclusive benefit of MTS and may only be waived, in whole or in part, by MTS in its sole discretion:

(a) the representations and warranties of BCE set forth in the Arrangement Agreement are true and correct as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not have a Purchaser Material Adverse Effect (and, for this purpose, any reference to "material", "Purchaser Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored); and BCE has delivered a certificate confirming same to MTS, executed by two senior officers of BCE (in each case without personal liability) addressed to MTS and dated the Effective Date;

(b) BCE has fulfilled or complied in all material respects with each of the covenants of BCE contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and BCE has delivered a certificate confirming same to MTS, executed by two senior officers of BCE (without personal liability) addressed to MTS and dated the Effective Date; and

(c) BCE shall have deposited or caused to be deposited with the Depositary in escrow in accordance with Section 2.8 of the Arrangement Agreement, the funds and irrevocable direction for Purchaser Shares required to effect payment in full of the aggregate Consideration to be paid in respect of the Company Shares pursuant to the Plan of Arrangement and the Depositary shall have confirmed to MTS the receipt of such funds and irrevocable direction.

Additional Covenants Regarding Non-Solicitation

Non-Solicitation

MTS has agreed that except as expressly provided in this covenant, MTS shall not, directly or indirectly, through any director, MTS employee, representative (including any financial or other adviser) or agent of MTS or of any of its Subsidiaries (collectively "**Representatives**"):

(a) solicit, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of MTS or any Subsidiary) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute, an Acquisition Proposal;

(b) enter into or otherwise engage or participate in any negotiations or meaningful discussions with any Person (other than with BCE or any Person acting jointly or in concert with BCE) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute, an Acquisition Proposal;

(c) make a Change in Recommendation;

(d) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend any Acquisition Proposal, or take no position or remain neutral with respect to any publicly announced Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal for a period of no more than 10 Business Days following the formal announcement of such Acquisition Proposal will not be considered to be in violation of this covenant provided the Board has affirmed the Board Recommendation by or before the end of such 10 Business Day period); or

(e) approve, recommend or enter into (other than a confidentiality agreement permitted by and in accordance with Section 5.3 of the Arrangement Agreement) or publicly propose to enter into any agreement in respect of an Acquisition Proposal.

MTS has agreed to, and to cause its Subsidiaries and its Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion or negotiations with any Person (other than with BCE) with respect to any inquiry, proposal or offer that would reasonably be expected to constitute an Acquisition Proposal, and in connection therewith, MTS has agreed to:

(a) discontinue access to and disclosure of all information, including any data room and any confidential information, properties, facilities, books and records of MTS or of any of its Subsidiaries; and

(b) request, and exercise all rights it has to require the return or destruction of all copies of any confidential information regarding MTS or any Subsidiary provided to any Person other than BCE since January 1, 2016 in connection with an Acquisition Proposal, including using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

MTS has agreed and covenanted to not release any Person from, or waive such Person's obligations respecting MTS, under any confidentiality, standstill or similar agreement or restriction to which MTS is a party (it being acknowledged by BCE that the automatic termination or release of any restrictions of any such agreements as a result of entering into and announcing the Arrangement Agreement shall not be a violation of Section 5.1(3) of the Arrangement Agreement), except to allow such Person to make an Acquisition Proposal confidentially to the Board that constitutes, or could reasonably be expected to constitute or lead to, a Superior Proposal, provided that the remaining provisions of this covenant are complied with, and MTS has undertaken to seek to enforce, or cause it Subsidiaries to seek to enforce, all confidentiality, standstill, or similar agreements or restrictions that it or any of its Subsidiaries have entered into prior to the date of the Arrangement Agreement or enter into after the date thereof.

Notification of Acquisition Proposals

If after the date of the Arrangement Agreement MTS or any of its Subsidiaries or any of their respective representatives, receives any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to MTS or any Subsidiary, including but not limited to information, access, or disclosure relating to the properties, facilities, books or records of MTS or any Subsidiary, in connection with an Acquisition Proposal, MTS shall promptly notify BCE, at first orally, and then within 24 hours, in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions and the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request and a copy of any written Acquisition Proposal. MTS shall keep BCE informed of the status of material developments and negotiations with respect to any Acquisition Proposal, inquiry, proposal, offer or request, including any material changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request.

Responding to an Acquisition Proposal

Notwithstanding the non-solicitation provisions in the Arrangement Agreement, or any other agreement between the Parties or between MTS and any other Person, including the Confidentiality Agreement, if at any time prior to

obtaining the approval of the Company Shareholders of the Arrangement Resolution, MTS receives an Acquisition Proposal, MTS may engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal, and, subject to MTS (i) entering into a confidentiality and standstill agreement with such Person (if one has not already been entered into) containing terms that are no less favourable to MTS in the aggregate than those contained in the Confidentiality Agreement and may not restrict MTS from complying with Article 5 of the Arrangement Agreement (it being understood and agreed that such confidentiality and standstill agreement need not restrict the making of an Acquisition Proposal or related communications to MTS or the Board), (ii) concurrently providing BCE with access to any information that was provided to such Person and not previously provided to BCE and (iii) promptly providing BCE with a true, complete and final executed copy of such confidentiality and standstill agreement, may provide copies of, access to or disclosure of information, properties, facilities, books or records of MTS or its Subsidiaries or the JV, if:

(a) the Board first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes or could reasonably be expected to constitute or lead to a Superior Proposal; and

(b) MTS has been, and continues to be, in compliance with its obligations under Article 5 of the Arrangement Agreement.

Right to Match

If MTS receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by the Company Shareholders the Board may, or may cause MTS to, make a Change in Recommendation and approve, recommend or enter into a definitive agreement with respect to such Superior Proposal, if and only if:

(a) MTS has been, and continues to be, in compliance with its obligations under Article 5 of the Arrangement Agreement;

(b) MTS or its Representatives have delivered to BCE a written notice of the determination of the Board that it has received a Superior Proposal and of the intention to approve, recommend or enter into a definitive agreement with respect to such Superior Proposal, including a notice as to the value in financial terms that the Board has, in consultation with its financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal (the "**Superior Proposal Notice**");

(c) MTS or its Representatives have provided to BCE a copy of any proposed definitive agreement for the Superior Proposal;

(d) at least five (5) Business Days (the "**Matching Period**") have elapsed from the date that is the later of the date on which BCE received the Superior Proposal Notice and the date on which BCE received a copy of the definitive agreement for the Superior Proposal;

(e) after the Matching Period, the Board has determined in good faith, after consultation with its legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (and, if applicable, compared to the terms of the Arrangement as proposed to be amended by BCE under Section 5.4(2) of the Arrangement Agreement); and

(f) prior to or concurrently with making a Change in Recommendation or entering into such definitive agreement MTS terminates the Arrangement Agreement pursuant to Section 7.2(1)(c)(ii) of the Arrangement Agreement and pays the Company Termination Fee pursuant to Section 8.2(2) of the Arrangement Agreement.

During the Matching Period, or such longer period as MTS may approve in writing for such purpose: (a) the Board shall review any offer made by BCE to amend the terms of the Arrangement Agreement and the Arrangement in

good faith, after consultation with outside legal and financial advisors, in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (b) MTS shall negotiate in good faith with BCE to make such amendments to the terms of the Arrangement Agreement and the Arrangement as would enable BCE and/or its affiliates to proceed with the transactions contemplated by the Arrangement Agreement on such amended terms. If as a consequence of the foregoing the Board determines that such Acquisition Proposal would cease to be a Superior Proposal, MTS shall promptly so advise BCE and MTS and BCE shall amend the Arrangement Agreement to reflect such offer made by BCE, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Company Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of Section 5.4 of the Arrangement Agreement, provided that the Matching Period in respect of such new Acquisition Proposal shall extend only until the later of the end of the initial five (5) Business Day Matching Period and 36 hours after BCE received the Superior Proposal Notice for the new Acquisition Proposal.

Nothing in the Arrangement Agreement shall prohibit the Board from responding through a directors' circular or otherwise as required by applicable Securities Laws to an Acquisition Proposal that it determines is not a Superior Proposal, or from making a Change in Recommendation as a result of a Purchaser Material Adverse Effect. Further, nothing in the Arrangement Agreement shall prevent the Board from making any disclosure to the Company Shareholders if the Board, acting in good faith and upon the advice of its outside legal and financial advisors, shall have determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Board or such disclosure is otherwise required under Law; provided, however, that, notwithstanding the Board shall be permitted to make such disclosure, the Board shall not be permitted to make a Change in Recommendation, other than as permitted by Section 5.4(1) of the Arrangement Agreement or the first sentence of this paragraph.

If MTS provides a Superior Proposal Notice to BCE after a date that is less than five (5) Business Days before the Company Meeting, MTS shall be entitled to, and shall upon request from BCE, postpone the Company Meeting to a date that is not more than fifteen (15) Business Days after the scheduled date of the Company Meeting (and, in any event, prior to the Outside Date).

Termination

The Arrangement Agreement may be terminated prior to the Effective Time by:

(a) the mutual written agreement of MTS and BCE;

(b) either MTS or BCE if:

(i) the Company Meeting is duly convened and held and the Arrangement Resolution is voted on by the Company Shareholders and not approved by the Company Shareholders as required by the Interim Order;

(ii) after the date of the Arrangement Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins MTS or BCE and/or its affiliates from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided that a Party seeking to terminate the Arrangement Agreement pursuant to Section 7.2(1)(b)(ii) of the Arrangement Agreement is not then in breach of the Arrangement Agreement so as to directly or indirectly cause any condition in Section 6.2(1) [*Company Representations and Warranties*], Section 6.3(1) [*Purchaser Representations and Warranties*], Section 6.2(2) [*Company Performance of Covenants*] or Section 6.3(2) [*Purchaser Performance of Covenants*] of the Arrangement Agreement, as applicable, not to be satisfied; or

(iii) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate the Arrangement Agreement pursuant to Section 7.2(1)(b)(iii) of the Arrangement Agreement if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement; or

(c) MTS if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of BCE under the Arrangement Agreement occurs that would cause any condition in Section 6.3(1) [*Purchaser Representations and Warranties Condition*] or Section 6.3(2) [*Purchaser Covenants Condition*] of the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of Section 4.10(3) of the Arrangement Agreement; provided that any wilful breach shall be deemed to be incapable of being cured and MTS is not then in breach of the Arrangement Agreement so as to directly or indirectly cause any condition in Section 6.2(1) [*Company Representations and Warranties Condition*] or Section 6.2(2) [*Company Covenants Condition*] of the Arrangement Agreement not to be satisfied; or

(ii) prior to the approval by the Company Shareholders of the Arrangement Resolution, the Board makes a Change in Recommendation or MTS or a Subsidiary of MTS enters into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 5.3 of the Arrangement Agreement) with respect to a Superior Proposal in accordance with Section 5.4 of the Arrangement Agreement, provided MTS is then in compliance with Article 5 of the Arrangement Agreement and that prior to or concurrent with such termination MTS pays the Company Termination Fee in accordance with Section 8.2(2) of the Arrangement Agreement; or

(d) BCE if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of MTS under the Arrangement Agreement occurs that would cause any condition in Section 6.2(1) [*Company Reps and Warranties Condition*] or Section 6.2(2) [*Company Covenants Condition*] of the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of Section 4.10(3) of the Arrangement Agreement; provided that any wilful breach shall be deemed to be incapable of being cured and BCE is not in breach of the Arrangement Agreement so as to directly or indirectly cause any condition in Section 6.3(1) [*Purchaser Representations and Warranties Condition*] or Section 6.3(2) [*Purchaser Covenants Condition*] of the Arrangement Agreement not to be satisfied;

(ii) prior to the approval by the Company Shareholders of the Arrangement Resolution, (A) the Board fails to unanimously recommend, withdraws, amends, modifies or qualifies in a manner that has substantially the same effect, or fails to publicly reaffirm within 10 Business Days after having been requested in writing to do so by BCE, acting reasonably, the approval or recommendation of the Arrangement or the Arrangement Resolution (a "**Change in Recommendation**") (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal for a period of no more than 10 Business Days after the formal announcement thereof shall not be considered a Change in Recommendation), (B) the Board approves, recommends or authorizes MTS to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 5.3 of the Arrangement Agreement) concerning a Superior

Proposal; or (C) MTS breaches Article 5 of the Arrangement Agreement in any material respect;

(iii) a final and non-appealable Award is entered, the effect of which is to require a Material Remedy; or

(iv) there has occurred a Company Material Adverse Effect which is incapable of being cured on or prior to the Outside Date.

Neither MTS nor BCE may elect to exercise its right to terminate the Arrangement Agreement pursuant to a breach of a representation or warranty or covenant by the other Party, unless the Party seeking to terminate the Arrangement Agreement (the "**Terminating Party**") has delivered a written notice ("**Termination Notice**") to the other party (the "**Breaching Party**") specifying in reasonable detail all breaches of representations, warranties, covenants or other matters which the Terminating Party asserts as the basis for termination. After delivering a Termination Notice, provided the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date, the Terminating Party may not exercise such termination right until the earlier of (a) the Outside Date, and (b) the date that is 10 Business Days following receipt of such Termination Notice by the Breaching Party, if such matter has not been cured by such date. If the Terminating Party delivers a Termination Notice prior to the date of the Company Meeting or the making of the application for the Final Order, unless the Parties agree otherwise, MTS shall postpone or adjourn the Company Meeting or delay making the application for the Final Order, or both, to the earlier of (a) 10 Business Days prior to the Outside Date and (b) the date that is 10 Business Days following receipt of such Termination Notice by the Breaching Party.

Termination Fees

Termination Fee

Despite any other provision in the Arrangement Agreement relating to the payment of fees and expenses, including the payment of brokerage fees, if a Company Termination Fee Event occurs, MTS shall pay BCE a termination fee in the amount of $120,000,000 (the "**Company Termination Fee**"). For the purposes of the Arrangement Agreement, "**Company Termination Fee Event**" means the termination of the Arrangement Agreement:

(a) by BCE, pursuant to Section 7.2(1)(d)(ii) [*Change in Recommendation or Material Breach of Non-Solicit*] of the Arrangement Agreement, except a Change in Recommendation in connection with a Purchaser Material Adverse Effect;

(b) by MTS, pursuant to Section 7.2(1)(c)(ii) [*Superior Proposal*] of the Arrangement Agreement; or

(c) by (A) MTS or BCE pursuant to Section 7.2(1)(b)(i) [*Failure of the Company Shareholders to Approve*] of the Arrangement Agreement, or (B) BCE pursuant to Section 7.2(1)(d)(i) [*Company Breach of Representation or Warranty or Failure to Perform Covenant*] of the Arrangement Agreement due to a wilful breach or fraud, if:

(i) following the date of the Arrangement Agreement and prior to such termination, an Acquisition Proposal is made or publicly announced by any Person (other than BCE or any of its affiliates or any Person acting jointly or in concert with any of the foregoing); and

(ii) within nine (9) months following the date of such termination, (i) an Acquisition Proposal is consummated by MTS or any of its Subsidiaries, or (ii) MTS or any of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a Contract (other than a confidentiality or standstill agreement) in respect of an Acquisition Proposal and such Acquisition Proposal is later consummated (whether or not within nine (9) months after such termination);

For purposes of the foregoing, the term "**Acquisition Proposal**" shall have the meaning assigned to such term in the Arrangement Agreement, except that references to "20% or more" shall be deemed to be references to "50% or more".

Reverse Termination Fee

If a Reverse Termination Fee Event occurs, BCE shall pay a reverse termination fee in the amount of $120,000,000 (the "**Reverse Termination Fee**") to MTS by wire transfer in immediately available funds within two (2) Business Days of the occurrence of such Reverse Termination Fee Event. For greater certainty, in no event shall BCE be obligated to pay the Reverse Termination Fee on more than one occasion.

For the purposes of the Arrangement Agreement, "**Reverse Termination Fee Event**" means the termination of the Arrangement Agreement:

(a) pursuant to Section 7.2(1)(b)(ii) [Illegality] of the Arrangement Agreement if an Award with respect to Competition Act matters, or matters relating to the CRTC Approval or the ISED Approval, has been made that precludes the consummation of the Arrangement or the satisfaction of the condition set out in Section 6.1(3) or Section 6.1(4) of the Arrangement Agreement;

(b) pursuant to Section 7.2(1)(b)(iii) [Occurrence of Outside Date] of the Arrangement Agreement if (i) the condition in Section 6.1(4) of the Arrangement Agreement is not satisfied, or (ii) the condition in Section 6.1(3) of the Arrangement Agreement is not satisfied solely as a result of an Award with respect to Competition Act matters, or matters relating to the CRTC Approval or the ISED Approval, or (iii) the condition in Section 6.2(4) of the Arrangement Agreement is not satisfied; provided, in each case, all other conditions in favour of BCE set forth in Article 6 of the Arrangement Agreement (including mutual conditions) are satisfied or are reasonably expected to be satisfied or have been waived, disregarding: (A) conditions that, by their terms, are to be satisfied on the Effective Date and are reasonably capable of being satisfied; (B) the conditions in Section 6.1(4), Section 6.2(4) or Section 6.1(3) of the Arrangement Agreement (unless the condition in Section 6.1(3) of the Arrangement Agreement is not satisfied for a reason other than as a result of an Award with respect to Competition Act matters, or matters relating to the CRTC Approval or the ISED Approval); and (C) any condition that has not been satisfied as a result of a breach by BCE of its obligations under the Arrangement Agreement; or

(c) pursuant to Section 7.2(1)(d)(iii) [*Material Remedy*] of the Arrangement Agreement.

Amendment

The Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Company Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, without further notice to or authorization on the part of the Company Shareholders, and any such amendment may, subject to the Interim Order and Final Order and Laws, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement;

(c) modify any of the covenants contained in the Arrangement Agreement and waive or modify performance of any of the obligations of the Parties; and/or

(d) modify any mutual conditions contained in the Arrangement Agreement.

Governing Law

The Arrangement Agreement is governed by and interpreted and enforced in accordance with the Laws of the Province of Manitoba and the federal Laws of Canada applicable therein. Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the Manitoba courts situated in the City of Winnipeg and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

CERTAIN LEGAL AND REGULATORY MATTERS

Steps to Implementing the Arrangement and Timing

Completion of the Arrangement is subject to the conditions precedent contained in the Arrangement Agreement having been satisfied, including receipt of the following:

- the Required Shareholder Approval;
- the Final Order;
- the Stock Exchange Approvals;
- the CRTC Approval;
- the ISED Approval; and
- the Competition Act Clearance.

It is anticipated that the Arrangement will be completed in late 2016 or early 2017. However, completion of the Arrangement is dependent on many factors and it is not possible at this time to determine precisely when or if the Arrangement will become effective. As provided under the Arrangement Agreement, the Arrangement cannot be completed later than May 1, 2017, unless such Outside Date is extended in accordance with the terms of the Arrangement Agreement. The Outside Date can be extended until up to October 28, 2017 in certain instances.

Required Shareholder Approval

At the Company Meeting, Company Shareholders will be asked to consider and, if deemed advisable, to pass the Arrangement Resolution. Pursuant to the Interim Order, the Arrangement Resolution must be approved by the affirmative vote of not less than $66^{2/3}$% of the votes cast by Company Shareholders present in person or represented by proxy at the special meeting of Company Shareholders and entitled to vote. The Arrangement Resolution must receive the Required Shareholder Approval in order for the Company to seek the Final Order and complete the Arrangement on the Effective Date in accordance with the Final Order and the Arrangement Agreement. Notwithstanding receipt of the Required Shareholder Approval of the Arrangement Resolution, the Company and the Purchaser reserve the right in certain circumstances to not proceed with the Arrangement in accordance with the terms of the Arrangement Agreement. See "Summary of Arrangement Agreement — Termination".

Court Approval and Completion of the Arrangement

An arrangement under the MCA requires Court approval. Prior to the mailing of this information circular, MTS obtained the Interim Order, which provides for, among other things:

- the Required Shareholder Approval;
- the Dissent Rights for those Company Shareholders who are Registered Shareholders;
- the notice requirements with respect to the application to the Court for the Final Order; and
- the ability of MTS to adjourn or postpone the Company Meeting from time to time in accordance with the terms of the Arrangement Agreement without the need for additional approval of the Court.

A copy of the Interim Order is attached at Appendix "G".

It is expected that, subject to the approval of the Arrangement Resolution by Company Shareholders at the Company Meeting, the hearing of the application for the Final Order will occur on or about June 29, 2016, but in any event no

later than five Business Days after the Arrangement Resolution is passed at the Company Meeting. At the hearing of the application for the Final Order, the Court will determine whether to approve the Arrangement in accordance with the legal requirements and the evidence before the Court. Participation in the hearing of the application for the Final Order, including who may participate and present evidence or argument and the procedure for doing so is subject to the terms of the Interim Order and any subsequent direction of the Court.

Any person who seeks to appear and be heard at the hearing of the application for the Final Order shall serve a notice of appearance ("**Notice of Appearance**"), containing a statement as to whether such person intends to support or oppose the application and a summary of such person's position and any evidence intended to be presented, no later than 1:00 p.m. (Manitoba time) on June 27, 2016, (or the day that is two Business Days immediately preceding any adjournment or postponement of the hearing of the application for the Final Order), upon counsel for the Company, as set out in the Interim Order.

The hearing of the application for the Final Order is expected to take place on June 29, 2016 at 10:00 a.m. (Manitoba time) at Law Courts Complex, 408 York Avenue, Winnipeg, Manitoba. A copy of the Notice of Application is attached at Appendix "H". At the hearing, the Court will consider, among other things, the fairness of the Arrangement to those whose legal rights will be affected by the Arrangement. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. Prior to the hearing on the Final Order, the Court will be informed that the Final Order will also constitute the basis for an exemption from registration under the U.S. Securities Act for the BCE Common Shares to be issued pursuant to the Arrangement to holders of Company Shares pursuant to Section 3(a)(10) of the U.S. Securities Act.

Assuming the Final Order is granted and the Required Regulatory Approvals are obtained, and the other conditions to Closing contained in the Arrangement Agreement are satisfied or waived to the extent legally permissible, then the Articles of Arrangement will be filed with the Director to give effect to the Arrangement.

Competition Act Clearance

The Competition Act requires that parties to any proposed transaction that exceeds specified financial and shareholding thresholds provide to the Commissioner of Competition prior notice of, and information relating to, the proposed transaction. Under the Competition Act, a notifiable transaction may not be completed until the expiry of the applicable statutory waiting period, unless the Commissioner of Competition has earlier issued (i) an advance ruling certificate; or (ii) a No Action Letter.

The applicable initial statutory waiting period in the case of a notifiable transaction under the Competition Act is 30 days. If the Commissioner of Competition determines that he requires additional information to review the transaction, he may, in his discretion, issue a "supplementary information request" for additional information and documents, within the initial 30-day waiting period, in which case the waiting period is extended and does not expire until 30 days following compliance with such supplementary information request.

The Commissioner of Competition's review of a notifiable transaction for substantive competition law considerations may take shorter than or longer than the statutory waiting period. Upon completion of the Commissioner of Competition's review, the Commissioner of Competition may decide to: (i) issue an advance ruling certificate; (ii) issue a No Action Letter; or (iii) challenge the transaction before the Competition Tribunal, if the Commissioner of Competition concludes that it is likely to prevent or lessen competition substantially. Where the Commissioner of Competition issues an advance ruling certificate and the parties substantially complete the transaction within one year after the advance ruling certificate is issued, the Commissioner of Competition cannot challenge the transaction before the Competition Tribunal solely on the basis of information that is the same or substantially the same as the information on the basis of which the advance ruling certificate was issued. Where the Commissioner of Competition challenges a transaction before the Competition Tribunal, he may also apply to the Competition Tribunal for an injunction to prevent closing, pending the Competition Tribunal's determination of the Commissioner of Competition's challenge to the transaction.

The Arrangement is a notifiable transaction for the purposes of the Competition Act. MTS and BCE intend to file their respective notifications with the Commissioner of Competition and to submit a request that the Commissioner of Competition issue an advance ruling certificate or No Action Letter in respect of the Arrangement as soon as reasonably practicable.

It is a condition to the completion of the Arrangement in favour of MTS and BCE that the Competition Act Clearance has been made, given, obtained or satisfied and is in force and has not been rescinded or amended in such a way as to require or potentially require a Material Remedy as a condition to maintaining the Competition Act Clearance. The Competition Act Clearance constitutes (i) the issuance of an advance ruling certificate, or (ii) both of (A) the expiry, waiver, or termination of any applicable waiting periods under the Competition Act, and (B) the issuance of a No Action Letter. However, the requirement to obtain the issuance of a No Action Letter may be waived by BCE without the consent of MTS.

CRTC Approval

MTS (including its Subsidiaries) is licensed by the CRTC to carry on a distribution undertaking under the Broadcasting Distribution Regulations to the Broadcasting Act. Section 4(4) of the Broadcasting Distribution Regulations provides that a licensee shall obtain the prior approval of the CRTC in respect of any act, agreement or transaction that directly or indirectly would result in a change of the effective control of its distribution undertaking (and also in other circumstances). The Arrangement therefore triggers the obligation to obtain the prior approval of the CRTC. MTS and BCE intend to file an application, including all required related documents and instruments, for the CRTC Approval as soon as reasonably practicable.

It is a condition to the completion of the Arrangement in favour of each of MTS and BCE that the CRTC Approval has been made, given, obtained or satisfied and is in force and has not been rescinded or amended in such a way as to require or potentially require a Material Remedy as a condition to maintaining the CRTC Approval.

ISED Approvals

MTS holds a number of ISED Licences, which are radio or spectrum licences issued by ISED Canada pursuant to the Radiocommunication Act to MTS or its Subsidiaries and which contain, as a condition of such licences, the requirement to seek the prior approval of ISED Canada to a transfer or a deemed transfer of such licence. MTS and BCE intend, as soon as reasonably practicable, to seek approval of ISED Canada for the transfer of the ISED Licences.

ISED Canada has published a publicly-available *Framework Relating to Transfers, Divisions and Subordinate Licensing of Spectrum Licences for Commercial Mobile Spectrum*. This Framework sets out that in making its determination as to whether to approve a licence transfer, ISED Canada will analyze, among other factors, the change in spectrum concentration levels (i.e. the amount of spectrum controlled by the applicants in comparison to that held by all licensees) that would result from the licence transfer, and will examine the ability of the applicants and other existing and future competitors to provide services, given the post-transfer concentration of commercial mobile spectrum in the affected licence area(s). ISED Canada has also previously issued publicly-available decisions imposing "spectrum caps" in relation to specific bands of spectrum. Where a licence transfer involves more than one licence, ISED Canada may approve the transfer of only some of the licences requested and deny others.

It is a condition to the completion of the Arrangement in favour of each of MTS and BCE that the ISED Approval be made, given, obtained or satisfied and is in force and has not been rescinded or amended in such a way as to require or potentially require a Material Remedy as a condition to maintaining the ISED Approval.

Securities Law Matters

Application of Multilateral Instrument 61-101 — Protection of Minority Security Holders in Special Transactions

MTS is a reporting issuer (or its equivalent) in all provinces of Canada and, accordingly, is subject to applicable securities laws of such provinces. In addition, the securities regulatory authorities in the Provinces of Ontario and Québec have adopted Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") which regulates transactions which raise the potential for conflicts of interest, including issuer bids, insider bids, related party transactions and business combinations.

The Arrangement does not constitute an issuer bid, an insider bid or a related party transaction. In assessing whether the Arrangement could be considered to be a business combination for the purposes of MI 61-101, MTS reviewed all benefits or payments which related parties of MTS are entitled to receive, directly or indirectly, as a consequence of the Arrangement to determine whether any constituted a collateral benefit. For these purposes, the only related parties of MTS that are entitled to receive a benefit, directly or indirectly, as a consequence of the Arrangement are the directors and officers of MTS.

Collateral Benefit

Certain of the compensation arrangements, related incentive arrangements with MTS and provisions of the Plan of Arrangement regarding payment for Company Options, DCUs, RSUs and PSUs described under "The Arrangement — Interests of Certain Persons in the Arrangement", may otherwise be considered a collateral benefit to directors and senior officers of MTS, except that MI 61-101 excludes from the meaning of collateral benefit, among others, a benefit that is received by a director or senior officer of an issuer solely in connection with his or her services as an employee, director or consultant of the issuer, of an affiliated entity of the issuer or of a successor to the business of the issuer, if: (i) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the director or senior officer for securities relinquished under the transaction or bid; (ii) the conferring of the benefit is not, by its terms, conditional on the director or senior officer supporting the transaction or bid in any manner; (iii) full particulars of the benefit are disclosed in the disclosure document for the transaction; and (iv) (A) at the time the transaction is agreed to or the bid is publicly announced, the director or senior officer, together with his or her "associated entities" (as defined in MI 61-101), beneficially own or exercise control or direction over less than 1% of the outstanding securities of each class of equity securities of the issuer, or (B) if the transaction is a business combination for the issuer, (I) the director or senior officer discloses to an "independent committee" (as defined in MI 61-101) of the issuer the amount of consideration that the director or officer expects it will be beneficially entitled to receive, under the terms of the transaction or bid, in exchange for the equity securities beneficially owned by the director or officer, (II) the independent committee, acting in good faith, determines that the value of the benefit, net of any offsetting costs to the director or officer, is less than 5% of the value referred to in clause (I), and (III) the independent committee's determination is disclosed in the disclosure document for the transaction. See "The Arrangement — Interests of Certain Persons in the Arrangement" for detailed information regarding the benefits and other payments to be received by each of the directors and officers of MTS in connection with the Arrangement.

The Board has determined that the aforementioned benefits or payments fall within an exception to the definition of collateral benefit for the purposes of MI 61-101, since the benefits are received solely in connection with the related parties' services as employees or directors of MTS or of any affiliated entities of MTS, are not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related parties for their Company Shares, and are not conditional on the related parties supporting the Arrangement in any manner, and at the time of the entering into of the Arrangement Agreement, none of the related parties entitled to receive the benefits exercised control or direction over, or beneficially owned, more than 1% of the outstanding Company Shares, as calculated in accordance with MI 61-101. Accordingly, such benefits are not collateral benefits for the purposes of MI 61-101 and the Arrangement does not constitute a business combination for the purposes of MI 61-101.

Formal Valuation

Pursuant to MI 61-101, the Arrangement is not a prescribed business combination for which a formal valuation is required as (i) no "interested party" (as defined in MI 61-101) would, as a consequence of the Arrangement, directly or indirectly acquire MTS or the business of MTS, or combine with MTS, through an amalgamation, arrangement or otherwise, whether alone or with "joint actors" (as defined in MI 61-101); and (ii) no interested party is a party to any "connected transaction" (as defined in MI 61-101) to the Arrangement that is a "related party transaction" (as defined in MI 61-101) for which MTS is required to obtain a formal valuation under MI 61-101.

Resale of Securities

Each Company Shareholder is urged to consult its professional advisor to determine the conditions and restrictions applicable to such Company Shareholder in trading BCE Common Shares received pursuant to the Arrangement. Holders of Company Shares in the United States should review "United States Securities Laws Matters" below.

The issuance of BCE Common Shares in connection with the Arrangement will be exempt from the prospectus requirements of applicable Canadian securities laws. The first trade of BCE Common Shares received pursuant to the Arrangement will be exempt from the prospectus requirements of applicable Canadian securities laws provided that (i) BCE is and has been a reporting issuer in a jurisdiction of Canada for four months immediately preceding the trade, (ii) such trade is not a control distribution as defined in National Instrument 45-102 – *Resale of Securities*, (iii) no unusual effort is made to prepare the market or to create a demand for the BCE Common Shares, (iv) no extraordinary commission or consideration is paid to a person or company in respect of such trade and (v) if the selling security holder is an insider or officer of BCE, the selling security holder has no reasonable grounds to believe that BCE is in default under Canadian securities laws.

Stock Exchange Delisting

MTS expects that the Company Shares will be delisted from the TSX promptly following the acquisition of the Company Shares by BCE pursuant to the Plan of Arrangement.

Judicial Process

The Plan of Arrangement will be implemented pursuant to section 185 of the MCA which provides that, where it is not practical for a corporation that is not insolvent to effect a fundamental change in the nature of an arrangement under any other provision of the MCA, a corporation may apply to the Court for an order approving the arrangement proposed by such corporation. Pursuant to this section of the MCA, such an application will be made by MTS for approval of the Arrangement. See "Certain Legal and Regulatory Matters — Court Approval and Completion of the Arrangement". **Company Shareholders should consult their legal advisors with respect to the legal rights available to them in relation to the Arrangement.**

Stock Exchange Approvals

The BCE Common Shares are listed on the TSX and the NYSE and trade under the symbol "BCE". The TSX has conditionally approved the listing of the BCE Common Shares to be issued pursuant to the Arrangement, and the NYSE has approved the listing of such BCE Common Shares, upon official notice of issuance. Listing will be subject to BCE fulfilling all of the requirements of the TSX and the NYSE, which requirements are expected to be met on the Effective Date or as soon as reasonably practicable thereafter.

Status under U.S. securities laws

Each of the Company and BCE is a "foreign private issuer" as defined in Rule 3b-4 under the U.S. Exchange Act. BCE is subject to the reporting requirements of the U.S. Exchange Act and files annual and current reports with the SEC. Such documents may be obtained by visiting the SEC's EDGAR website at www.sec.gov.

United States Securities Laws Matters

The following discussion is a general overview of certain requirements of U.S. federal securities laws that may be applicable to holders of BCE Common Shares in the United States ("**U.S. Shareholders**"). All Company Shareholders in the United States are urged to consult with their own legal advisor to ensure that any subsequent resale of BCE Common Shares issued to them under the Arrangement complies with applicable securities legislation.

Further information applicable to U.S. Shareholders is disclosed under the heading "Notice to Company Shareholders in the United States".

The following discussion does not address the Canadian securities legislation that will apply to the issue of BCE Common Shares or the resale of these securities by Company Shareholders within Canada. Company Shareholders in the United States reselling their BCE Common Shares in Canada must comply with Canadian securities laws.

Exemption from the registration requirements of the U.S. Securities Act

The BCE Common Shares to be issued pursuant to the Arrangement will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and will be issued in reliance upon the exemption from registration set forth in Section 3(a)(10) of the U.S. Securities Act. Section 3(a)(10) of the U.S. Securities Act exempts from registration the distribution of a security that is issued in exchange for outstanding securities, or partly in such exchange and partly for cash, where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval. Accordingly, the Final Order will, if granted, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the BCE Common Shares to be issued in connection with the Arrangement.

Resales of BCE Common Shares within the United States after the completion of the Arrangement

Persons who are not "affiliates" of BCE after the completion of the Arrangement and who have not been affiliates of BCE within 90 days of such date may resell in the United States the BCE Common Shares that they receive in connection with the Arrangement, without restriction under the U.S. Securities Act. As defined in Rule 144 under the U.S. Securities Act, an "affiliate" of an issuer is a person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the issuer and may include certain officers and directors of such issuer as well as principal shareholders of such issuer.

BCE Common Shares received by a holder who will be an "affiliate" of BCE after the Arrangement will be subject to certain restrictions on resale imposed by the U.S. Securities Act. Persons who are affiliates of BCE after the Arrangement may not sell the BCE Common Shares that they receive in connection with the Arrangement in the absence of registration under the U.S. Securities Act or an exemption from registration, if available, such as the exemptions contained in Rule 144 under the U.S. Securities Act for resales within the United States or Rule 904 of Regulation S under the U.S. Securities Act for resales outside of the United States.

DISSENTING HOLDERS' RIGHTS

If you are a Registered Shareholder, you are entitled to dissent from the Arrangement Resolution in the manner provided in section 184 of the MCA, as modified by the Interim Order and the Plan of Arrangement ("**Dissent Rights**"). Pursuant to the Interim Order and the Plan of Arrangement, Dissenting Holders are given rights analogous to rights of dissenting Company Shareholders under the MCA.

The following description of the rights of Registered Shareholders to dissent from the Arrangement Resolution is not a comprehensive statement of the procedures to be followed by a Dissenting Holder who seeks payment of the fair value of their Company Shares. **A Registered Shareholder's failure to follow exactly the procedures set forth in the Plan of Arrangement and the Interim Order will result in the loss of such Company Shareholder's Dissent Rights. This section summarizes the provisions of section 184 of the MCA, as modified by the Interim Order and the Plan of Arrangement. If you are a Registered Shareholder and wish to dissent, you should obtain your own legal advice and carefully read the provisions of the Plan of Arrangement, the provisions of section 184 of the MCA and the Interim Order, which are attached at Appendix "B", Appendix "F" and Appendix "G**", **respectively.**

A Company Shareholder may make a claim only with respect to all of the Company Shares held by the Company Shareholder in the Company Shareholder's name. A Registered Shareholder may exercise the Dissent Rights only in respect of Company Shares which are registered in that Company Shareholder's name. In many cases, Company Shares beneficially owned by a Non-Registered Shareholder are registered either:

- in the name of an Intermediary; or
- in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**") or similar entities) of which the Intermediary is a participant.

Accordingly, a Non-Registered Shareholder will not be entitled to exercise the Dissent Rights directly unless the Company Shares are re-registered in the Non-Registered Shareholder's name.

A Non-Registered Shareholder who wishes to exercise the Dissent Rights should immediately contact the Intermediary with whom the Non-Registered Shareholder deals in respect of his, her or its Company Shares and either:

- instruct the Intermediary to exercise the Dissent Right on the Non-Registered Shareholder's behalf (which, if the Company Shares are registered in the name of CDS or other clearing agency, would require that the Company Shares first be re-registered in the name of the Intermediary); or
- instruct the Intermediary to re-register the Company Shares in the name of the beneficial Company Shareholder, in which case, the beneficial Company Shareholder would be able to exercise the Dissent Rights directly. In this regard, the beneficial Company Shareholder will have to demonstrate that such Person beneficially owned the Company Shares in respect of which the Dissent Rights are being exercised on the Record Date established for the Company Meeting.

Any Dissenting Holder will be entitled, in the event that the Arrangement becomes effective, to be paid by Purchaser Subco the fair value of the Dissenting Shares held by such Dissenting Holder, determined as at the close of business on the day immediately preceding the Company Meeting, and will not be entitled to any other payment or consideration. There can be no assurance that a Dissenting Holder will receive consideration for its Dissenting Shares of equal value to the consideration that such Dissenting Holder would have received upon completion of the Arrangement.

A Registered Shareholder who wishes to dissent must ensure that a written objection to the Arrangement Resolution (a "**Dissent Notice**") is received by the Company, at its registered office located at P.O. Box 6666, Room MP19A, 333 Main Street, Winnipeg, Manitoba, R3C 3V6 (Attention: Corporate Secretary) no later than 5:00 p.m. (Manitoba time) on June 21, 2016 (or the day that is two Business Days immediately preceding any

adjourned or postponed meeting of Company Shareholders). The filing of a Dissent Notice does not deprive a Registered Shareholder of the right to vote; however, a Registered Shareholder who has submitted a Dissent Notice and who votes in favour of the Arrangement Resolution will no longer be considered a Dissenting Holder with respect to Company Shares voted in favour of the Arrangement Resolution. If such Dissenting Holder votes in favour of the Arrangement Resolution in respect of a portion of the Company Shares registered in his, her or its name and held by same on behalf of any one beneficial owner, such vote approving the Arrangement Resolution will be deemed to apply to the entirety of Company Shares held by such Dissenting Holder in the name of that beneficial owner, given that section 184 of the MCA provides there is no right of partial dissent. **A vote against the Arrangement Resolution will not constitute a Dissent Notice.**

Under the terms of the Plan of Arrangement and Interim Order, a Dissenting Holder will be deemed to have transferred their Dissenting Shares to the Purchaser Subco, free and clear of any Liens, as of the Effective Date, and if they (a) ultimately are entitled to be paid fair value for their Dissenting Shares, shall be deemed to have transferred such Company Shares to the Purchaser Subco in consideration for a debt claim against the Purchaser Subco in an amount equal to the fair value of such Company Shares, and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights, or (b) are ultimately not entitled, for any reason, to be paid fair value for their Dissenting Shares, will be deemed to have participated in the Arrangement as of the Effective Time on the same terms and at the same time as non-Dissenting Holders and shall only be issued the same Consideration which a Company Shareholder is entitled to receive under the Arrangement. Pursuant to the Plan of Arrangement, in no case will the Purchaser, the Company or any other Person be required to recognize any Dissenting Holder as a Company Shareholder after the Effective Time, and the names of such Dissenting Holders will be removed from the list of Registered Shareholders on the Effective Date. In addition to any other restrictions under section 184 of the MCA, no holders of Company Shares who vote or have instructed a proxyholder to vote such Company Shares in favour of the Arrangement Resolution shall be entitled to exercise Dissent Rights.

Within 10 days after the approval of the Arrangement Resolution, the Purchaser is required to notify each Dissenting Holder that the Arrangement Resolution has been approved. Such notice is however not required to be sent to a Registered Shareholder who voted for the Arrangement Resolution or who has withdrawn a Dissent Notice previously filed.

A Dissenting Holder must, within 20 days after the Dissenting Holder receives notice that the Arrangement Resolution has been approved or, if the Dissenting Holder does not receive such notice, within 20 days after the Dissenting Holder learns that the Arrangement Resolution has been approved, send a written notice (a "**Demand for Payment**") containing: (a) the Dissenting Holder's name and address; (b) the number of Dissenting Shares held by the Dissenting Holder; and (c) a demand for payment of the fair value of such Dissenting Shares. Within 30 days after sending a Demand for Payment, the Dissenting Holder must send to the Company at its registered office located at P.O. Box 6666, Room MP19A, 333 Main Street, Winnipeg, Manitoba, R3C 3V6 (Attention: Corporate Secretary) or the Transfer Agent at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, the certificates representing the Dissenting Shares. The Transfer Agent will endorse on the share certificates a notice that the holder thereof is a Dissenting Holder under section 184 of the MCA and will forthwith return the share certificate(s). A Dissenting Holder who fails to send the certificates representing the Dissenting Shares forfeits his or her right to make a claim under section 184 of the MCA.

Under section 184 of the MCA and the Interim Order, after sending a Demand for Payment, a Dissenting Holder shall cease to have any rights as a holder of the Dissenting Shares, other than the right to be paid the fair value of such Dissenting Shares as determined under section 184 of the MCA, unless: (i) the Demand for Payment is withdrawn before the Company makes a written Offer to Pay; (ii) the Company fails to make an Offer to Pay within the time period set forth in section 184 of the MCA to the Dissenting Holder and the Dissenting Holder withdraws his or her Demand for Payment; or (iii) the Board revokes the Arrangement Resolution. In all three cases described above, the Dissenting Holders rights as a Company Shareholder are reinstated as of the date of the Demand for Payment, and in the first two cases, the Dissenting Shares for which the Demand for Payment had been sent will be subject to the Arrangement.

No later than seven days after the later of the Effective Date and the date on which, as applicable, a Demand for Payment of a Dissenting Holder is received, the Company must send to each Dissenting Holder who has sent a Demand for Payment a written offer (an "**Offer to Pay**") for its Dissenting Shares in an amount considered by the board of directors of the Company to be the fair value of the Dissenting Shares, accompanied by a statement showing the manner in which the fair value was determined.

Payment for the Dissenting Shares of a Dissenting Holder must be made within 10 days after an Offer to Pay has been accepted by a Dissenting Holder, but any such Offer to Pay lapses if an acceptance thereof is not received within 30 days after the Offer to Pay has been made. If an Offer to Pay for the Dissenting Shares of a Dissenting Holder is not made, or if a Dissenting Holder fails to accept an Offer to Pay that has been made, the Company may apply to a court to fix a fair value for the Dissenting Shares of Dissenting Holders; such application may be made within 50 days after the Effective Date or within such further period as a court may allow.

If no such application is made, a Dissenting Holder may apply to the Court for the same purpose within a further period of 20 days or within such further period as a court may allow. A Dissenting Holder is not required to give security for costs in such an application.

Upon an application to the Court, all Dissenting Holders whose Dissenting Shares have not been purchased will be joined as parties and bound by the decision of the Court, and each affected Dissenting Holder shall be notified of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel. Upon any such application to the Court, the Court may determine whether any other Person is a Dissenting Holder who should be joined as a party, and the Court will then fix a fair value for the Dissenting Shares of all such Dissenting Holders. The Final Order of the Court will be rendered against the Purchaser in favour of each Dissenting Holder joined as a party and for the amount of the Dissenting Shares as fixed by the Court. The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each such Dissenting Holder from the Effective Date until the date of payment.

Registered Shareholders who are considering exercising Dissent Rights should be aware that there can be no assurance that the fair value of their Company Shares as determined under the applicable provisions of the MCA (as modified by the Plan of Arrangement and the Interim Order) will be more than or equal to the Consideration to be received by Company Shareholders pursuant to the Arrangement. In addition, any judicial determination of fair value may result in a delay of receipt by a Dissenting Holder of Consideration for such Dissenting Holder's Dissenting Shares.

The above is only a summary of the provisions of the MCA pertaining to Dissent Rights, as modified by the Interim Order and the Plan of Arrangement, which are technical and complex. If you are a Company Shareholder and wish to directly or indirectly exercise Dissent Rights, you should seek your own legal advice as failure to strictly comply with the provisions of the MCA, as modified by the Interim Order and the Plan of Arrangement, may prejudice your Dissent Rights. For a general summary of certain Canadian income tax implications to a Dissenting Holder, see "Certain Canadian Federal Income Tax Considerations". Registered Shareholders and non-Canadian Company Shareholders (including Company Shareholders resident in the U.S.) considering exercising Dissent Rights should also seek the advice of their own tax and investment advisors.

INFORMATION CONCERNING MTS

General

Telephone services commenced in the Province of Manitoba in the 1800s under the ownership of The Bell Telephone Company of Canada. In 1908, the Government of Manitoba acquired the assets of The Bell Telephone Company of Canada located in the Province of Manitoba and MTS was formed. MTS became a provincial Crown corporation in 1933. On January 7, 1997, MTS was continued as a share capital corporation pursuant to Manitoba Reorganization Act. MTS subsequently was continued under the MCA pursuant to a Certificate and Articles of Continuance dated April 5, 2000. The Company Articles, as amended, were restated by Certificates and Restated Articles of Incorporation dated May 15, 2001 and June 28, 2004. Pursuant to a Certificate and Articles of Amalgamation dated August 3, 2004, MTS amalgamated with its wholly owned subsidiary, Qunara Inc.

The Company's registered and head office is located at 333 Main Street, PO Box 6666, Winnipeg, Manitoba, Canada, R3C 3V6.

Documents Incorporated by Reference

Information has been incorporated by reference in this information circular from documents filed with securities commissions or similar authorities in the provinces of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from our Investor Relations department at P.O. Box 6666, Room MP19B, 333 Main Street, Winnipeg, Manitoba R3C 3V6, or by accessing the disclosure documents available electronically under MTS' profile on SEDAR at www.sedar.com.

The following documents, filed with securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference in, and form an integral part of, this information circular:

(a) the annual information form of MTS dated February 4, 2016, for the year ended December 31, 2015;

(b) the audited consolidated financial statements of MTS for the years ended December 31, 2015 and 2014, and related notes, together with the independent auditor's report thereon, and the management's discussion and analysis in connection therewith (the "**2015 MD&A**");

(c) the unaudited interim condensed consolidated financial statements of MTS for the three month period ended March 31, 2016, and related notes, together with the management's discussion and analysis therewith (the "**2016 Q1 MD&A**");

(d) the management information circular of MTS dated March 23, 2016, distributed in connection with the annual general meeting of Company Shareholders held on May 12, 2016; and

(e) the material change report of MTS dated May 3, 2016, relating to the Arrangement.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this information circular to the extent that a statement contained herein, or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed to be an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this information circular.

Summary Description of Business

MTS is the only full-service provider of information and communications technology for residential and business customers in Manitoba. MTS provides a broad range of services including wireless voice and data communications services, internet, television, local and long distance telephone service and security systems to residential customers in the Province of Manitoba, provided by MTS Inc., AAA Alarm Systems Ltd. MTS also provides business solutions, including wireless voice and data communications services, IP networking, local and long distance telephone service, television, security services, application development, managed services, and cloud services, provided by MTS Inc., MTS Data Centres Inc., AAA Alarm Systems Ltd., EPIC Information Solutions Inc. and The Technology Consortium Inc.

Additional information about MTS' business is included in the documents incorporated by reference into this information circular.

Directors and Officers

The Board is comprised of Ashleigh Everett, Barbara Fraser, Jay Forbes, Judi Hand, Gregory Hanson, Kishore Kapoor, David Leith (Chair), Sanford Riley, Samuel Schellenberg and Carol Stephenson.

The following table sets forth the names and titles of the officers of MTS:

Name	Position
Jay Forbes	President and Chief Executive Officer
Paul Cadieux	Chief Financial Officer
Paul Beauregard	Chief Corporate and Strategy Officer & Corporate Secretary
Marvin Boakye	Chief Human Resources Officer
Brenda McInnes	Vice-President & Treasurer
Heather Tulk	Chief Customer Officer

Dividends

In connection with the Arrangement, other than the second quarter 2016 dividend declared on May 11, 2016, which dividend is expected to be paid on or about July 15, 2016 to Company Shareholders of record as at the close of business on June 15, 2016, the Board will not declare or approve the payment of any dividends or any other distributions (whether in cash, shares or property) on any of the Company Shares through to the completion of the Arrangement.

Prior Sales

The following table sets forth the details regarding all issuances of Company Shares, including issuances of all securities convertible or exercisable into, or, at the option of the holder, redeemable upon settlement for, Company Shares issuable from treasury for the 12-month period prior to the date of this information circular:

Date	Type of Securities/ Reason for Issuance/Grant	Number of Securities	Issue/Grant/Exercise Price ($)
May 18, 2016	Company Shares – Company Option Exercise	2,800	$35.19
May 18, 2016	Company Shares – Company Option Exercise	4,626	$32.36
July 15, 2015	Company Shares - DRIP	327,751	$27.38

Notes: The issue price noted is rounded to two decimal places and the number of securities is rounded to the nearest whole number.

Market Price and Trading Volume of Company Shares

The Company Shares are listed and posted for trading on the TSX under the symbol “MBT”. The following table shows the high and low closing market prices and trading volumes of the Company Shares on the TSX for the 12-month period before the date of this information circular:

	Common Shares		
Month	High	Low	Trading Volume
May 2015	$27.84	$25.65	6,025,186
June 2015	$28.12	$27.14	5,968,300
July 2015	$29.76	$27.42	8,032,451
August 2015	$29.25	$27.19	6,656,001
September 2015	$29.07	$28.00	5,410,620
October 2015	$29.29	$28.50	5,281,058
November 2015	$30.29	$27.46	4,870,519
December 2015	$30.54	$28.35	5,634,875
January 2016	$30.35	$28.65	9,002,510
February 2016	$33.73	$30.35	9,553,792
March 2016	$33.49	$31.84	13,063,501
April 2016	$32.84	$32.18	4,580,193
May 1, 2016 to May 25, 2016	$37.85	$36.95	14,906,729

On April 29, 2016, the last trading day on the TSX prior to the announcement of the execution of the Arrangement Agreement, the closing price of the Company Shares on the TSX was $32.84.

Interest of Informed Persons in Material Transactions

To the knowledge of MTS, other than as disclosed elsewhere in this information circular, as at May 26, 2016, no director or officer of MTS, any subsidiary or any insider, any nominee director, or any associate or affiliate of any of the foregoing, has had any interest in any transaction since the commencement of MTS' last financial year or in any proposed transaction which has materially affected or would materially affect MTS or any of its subsidiaries.

Auditors and Audit Committee

Ernst & Young LLP has served as the external auditors of MTS since 2014. MTS is required to have an audit committee. The directors who are members of the audit committee are Kishore Kapoor (Chair), Judi Hand, Gregory Hanson, and Samuel Schellenberg.

Interest of Experts

Ernst & Young LLP, the external auditors of MTS, is independent with respect to MTS within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Manitoba.

INFORMATION CONCERNING BCE

Overview

BCE is Canada's largest communications company, providing residential, business and wholesale customers with a wide range of solutions to all their communications needs. BCE reports the results of its operations in three segments: Bell Wireless, Bell Wireline and Bell Media.

Bell Wireless provides wireless voice and data communications products and services to its residential, small and medium-sized business and large enterprise customers across Canada.

Bell Wireline provides data, including Internet access and Internet protocol television (IPTV), local telephone, long distance, as well as other communications products and services to its residential, small and medium-sized business and large enterprise customers, primarily in Ontario, Québec and the Atlantic provinces, while satellite television (TV) service and connectivity to business customers are available nationally across Canada. In addition, this segment includes our wholesale business, which buys and sells local telephone, long distance, data and other services from or to resellers and other carriers.

Bell Media provides conventional, specialty and pay TV, digital media, and radio broadcasting services to customers across Canada and out of home advertising services.

The head and registered office of BCE is located at 1, Carrefour Alexander-Graham-Bell, Building A, 8th Floor, Verdun, Québec, H3E 3B3.

Additional information about BCE's business is included in the documents incorporated by reference into this information circular.

Recent Developments

On May 2, 2016, BCE announced the signing of the Arrangement Agreement.

BCE also announced on May 2, 2016, that it intends to divest one-third of MTS' postpaid wireless subscribers and assign one-third of MTS' dealer locations in Manitoba to TELUS, following completion of the Arrangement. MTS is not a party to this arrangement between BCE and TELUS, and the Arrangement is not subject to the completion of such transfer.

Share Capital

BCE's articles of amalgamation, as amended, provide for an unlimited number of common shares (the "**BCE Common Shares**"), an unlimited number of Class B shares ("**BCE Class B Shares**"), an unlimited number of first preferred shares issuable in series ("**BCE First Preferred Shares**"), and an unlimited number of second preferred shares also issuable in series ("**BCE Second Preferred Shares**"), all without par value. As of May 26, 2016, no BCE Class B Shares and no BCE Second Preferred Shares were outstanding.

For further information regarding BCE's share capital, including a description of the material attributes and characteristics of the BCE Common Shares, BCE Class B Shares, BCE First Preferred Shares and BCE Second Preferred Shares, refer to BCE's annual information form dated March 3, 2016 incorporated by reference herein.

Consolidated Capitalization

The following table sets forth the consolidated capitalization of BCE based on its unaudited consolidated financial statements as at March 31, 2016 (i) on an actual basis, and (ii) as adjusted to take into account (a) the issuance of BCE Common Shares and increase in short-term borrowings in payment of the aggregate Consideration to be received by Company Shareholders pursuant to the Arrangement (based on the number of issued and outstanding

Company Shares as of May 25, 2016), and (b) the assumption by BCE of MTS' $677 million of long-term debt and $251 million of debt due within one year.

		As at March 31, 2016 Actual	As at March 31, 2016 As Adjusted [1] [2]
		($ millions) (unaudited)	($ millions) (unaudited)
Debt due within one year		$4,516	$5,939
Long-term debt		$15,837	$16,514
Total debt		$20,353	$22,453
Equity	— Preferred shares	$4,004	$4,004
	— Common shares	$18,251	$19,883
	— Contributed surplus	$1,124	$1,124
	— Accumulated other comprehensive income	$55	$55
	— Deficit	$(6,919)	$(6,919)
	— Non-controlling interest	$305	$305

Notes:

(1) Assumes a cash payment of $1,172 million (representing the cash portion of the Consideration payable pursuant to the Arrangement, less MTS cash on hand), from available sources of liquidity, to be subsequently replaced by permanent financing consisting of long-term debt to be issued in the capital markets.

(2) Assumes the payment of the $1,632 million equity portion of the Consideration to be received by Company Shareholders pursuant to the Arrangement through the issuance of approximately 27.6 million BCE Common Shares at a weighted average share price of $59.21 determined at the time of entering into the Arrangement Agreement.

Dividend Policy

The board of directors of BCE (the "**BCE Board**") reviews from time to time the adequacy of BCE's dividend policy with respect to BCE Common Shares. BCE's dividend policy with respect to BCE Common Shares is currently set to a target dividend payout ratio of 65% to 75% of free cash flow, which is defined as cash flows from operating activities, excluding acquisition and other costs paid (which include significant litigation costs) and voluntary pension funding, less capital expenditures, preferred share dividends and dividends paid by subsidiaries to non-controlling interest. BCE's dividend policy and the declaration of dividends are subject to the discretion of the BCE Board and, consequently, there can be no guarantee that BCE's dividend policy will be maintained or that dividends will be declared. BCE also has in place a dividend reinvestment and stock purchase plan, which provides a convenient method for eligible holders of BCE Common Shares to reinvest their dividends and make optional cash contributions to purchase additional BCE Common Shares without brokerage costs.

Prior Sales

The following table sets forth the details regarding all issuances of BCE Common Shares, including issuances of all securities convertible into or exercisable for BCE Common Shares issuable from treasury in the 12-month period before the date of this information circular. Other than as summarized in the below table, BCE has not issued any BCE Common Shares or securities convertible into or exercisable for BCE Common Shares issuable from treasury in the above-mentioned period of time.

Date	Price per BCE Common Share/Option Grant or Exercise Price	Number and Type of Securities Issued	Reason for Issuance
August 17, 2015	$53.60	40,495 options to purchase BCE Common Shares	Grant of options
November 16, 2015	$56.86	18,196 options to purchase BCE Common Shares	Grant of options
February 29, 2016	$58.39	2,932,719 options to purchase BCE Common Shares	Grant of options
May 16, 2015 to May 15, 2016	$41.92 (weighted average exercise price)	3,246,084 BCE Common Shares	Exercises of options
May 16, 2015 to May 15, 2016	$56.70 (weighted average issuance price)	2,283,782 BCE Common Shares	Employee savings plan
May 16, 2015 to May 15, 2016	$56.28 (weighted average issuance price)	10,067 BCE Common Shares	Bell Aliant deferred purchase plan
May 20, 2015	$53.37	5,548,908 BCE Common Shares	Glentel Inc. acquisition
December 11, 2015	$57.10	15,111,000 BCE Common Shares	Bought deal public offering
January 1, 2016 to March 16, 2016	$55.13 (weighted average issuance price)	688,839 BCE Common Shares	Dividend reinvestment plan

Market Price and Trading Volume of BCE Common Shares

The BCE Common Shares are listed and posted for trading on the TSX under the symbol "BCE". The following table shows the high and low closing market prices and trading volumes of the BCE Common Shares on the TSX for the 12-month period before the date of this information circular:

	BCE Common Shares		
Month	High	Low	Trading Volume
May 2015	$54.67	$52.91	27,836,863
June 2015	$55.32	$52.70	36,186,411
July 2015	$55.35	$52.19	27,542,604
August 2015	$54.65	$52.26	28,085,564
September 2015	$54.87	$51.99	33,410,383

	BCE Common Shares		
Month	**High**	**Low**	**Trading Volume**
October 2015	$59.00	$54.59	37,270,562
November 2015	$58.52	$56.10	29,831,809
December 2015	$57.69	$53.41	33,945,502
January 2016	$56.43	$53.55	33,511,038
February 2016	$59.06	$56.40	33,613,044
March 2016	$59.43	$57.05	36,141,368
April 2016	$59.95	$57.91	25,586,744
May 1, 2016 to May 25, 2016	$60.85	$58.44	22,629,927

The BCE Common Shares are listed and posted for trading on the NYSE under the symbol "BCE". The following table shows the high and low closing market prices and trading volumes of the BCE Common Shares on the NYSE for the 12-month period before the date of this information circular:

	BCE Common Shares		
Month	**High**	**Low**	**Trading Volume**
May 2015	U.S.$44.50	U.S.$43.52	4,610,677
June 2015	U.S.$44.44	U.S.$42.50	6,129,836
July 2015	U.S.$42.95	U.S.$40.03	6,651,266
August 2015	U.S.$41.54	U.S.$39.18	5,461,301
September 2015	U.S.$41.44	U.S.$39.32	6,735,428
October 2015	U.S.$45.05	U.S.$41.20	4,836,017
November 2015	U.S.$43.92	U.S.$42.15	3,959,200
December 2015	U.S.$43.18	U.S.$38.25	5,698,026
January 2016	U.S.$40.30	U.S.$36.95	5,469,889

	BCE Common Shares		
Month	**High**	**Low**	**Trading Volume**
February 2016	U.S.$43.12	U.S.$40.20	5,845,931
March 2016	U.S.$45.86	U.S.$42.56	5,898,957
April 2016	U.S.$47.18	U.S.$45.30	4,821,828
May 1, 2016 to May 25, 2016	U.S.$46.78	U.S.$45.62	5,238,918

BCE Documents Incorporated by Reference

Information regarding BCE has been incorporated by reference in this information circular from documents filed by BCE with securities commissions or similar authorities in each of the provinces of Canada. Copies of the documents regarding BCE incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of BCE at 1, Carrefour Alexander-Graham-Bell, Building A, 7th Floor, Verdun (Québec) H3E 3B3, telephone: (514) 786-8424 and are also available electronically under BCE's profile on SEDAR at www.sedar.com.

The following documents, filed with securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference in, and form an integral part of, this information circular:

(a) BCE's annual information form dated March 3, 2016, for the year ended December 31, 2015;

(b) BCE's audited consolidated financial statements for the year ended December 31, 2015, including the report of independent registered public accounting firm thereon, and the report of independent registered public accounting firm on BCE's internal control over financial reporting, provided on pages 114 to 157 and on page 113, respectively, of the BCE Inc. 2015 annual report (the "**BCE 2015 Annual Report**");

(c) BCE's management's discussion and analysis for the year ended December 31, 2015, provided on pages 28 to 111 of the BCE 2015 Annual Report (the "**BCE 2015 MD&A**");

(d) BCE's interim consolidated financial statements for the three-month period ended March 31, 2016;

(e) BCE's management's discussion and analysis for the three-month period ended March 31, 2016 (the "**BCE Q1 2016 MD&A**"); and

(f) BCE's management proxy circular dated March 3, 2016, in connection with the annual general meeting of the shareholders of BCE held on April 28, 2016.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this information circular to the extent that a statement contained herein, or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed to be an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or

superseded shall not be deemed, except as so modified or superseded, to constitute a part of this information circular.

BCE is subject to the reporting requirements of the U.S. Exchange Act and files annual and current reports with the SEC. Such documents may be obtained by visiting the SEC's EDGAR website at www.sec.gov.

Interest of Experts

Deloitte LLP, the external auditors of BCE, is independent with respect to BCE.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, legal counsel to the Company, the following summary describes the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder, as amended (the "**Tax Act**"), as of the date hereof, generally applicable to a Company Shareholder who, for purposes of the Tax Act, holds Company Shares and will hold any Purchaser Subco Shares or BCE Common Shares, as applicable, acquired pursuant to the Arrangement as capital property, deals at arm's length with the Company, Purchaser Subco, and BCE, is not affiliated with the Company, Purchaser Subco or BCE, and who disposes of Company Shares pursuant to the Arrangement (a "**Holder**").

Company Shares, Purchaser Subco Shares and BCE Common Shares generally will be considered capital property to a Holder for purposes of the Tax Act unless the Holder holds such shares in the course of carrying on a business of buying and selling securities or the Holder has acquired or holds them in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act in force as of the date hereof and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") publicly available prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that the Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any other changes in law, whether by judicial, governmental or legislative decision or action or changes in the administrative policies or assessing practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ materially from those described in this summary.

This summary is not applicable to Company Shareholders who acquired Company Shares pursuant to employee compensation plans. In addition, this summary does not apply to a Holder (a) that is a "financial institution", for the purposes of the mark-to-market rules in the Tax Act, (b) an interest in which is a "tax shelter investment", as defined in the Tax Act, (c) that is a "specified financial institution", as defined in the Tax Act, (d) that has elected to report his, her or its "Canadian tax results," as defined in the Tax Act, in a currency other than Canadian currency, (e) that has, or will, enter into, with respect to Company Shares or BCE Common Shares, a "derivative forward agreement", as defined in the Tax Act, or (f) that is exempt from tax under Part I of the Tax Act. This summary does not address the tax considerations applicable to holders of Company Options, DCUs, RSUs, or PSUs. Such holders should consult their own legal and tax advisors.

Pursuant to the Arrangement, a Holder (other than a Registered Plan) who receives any Share Consideration will, assuming Purchaser Subco is a corporation other than BCE, first acquire Purchaser Subco Shares and then exchange his, her or its Purchaser Subco Shares for BCE Common Shares. For simplicity, the description of the Canadian federal income tax consequences of the Arrangement contained herein describes the tax consequences of the Arrangement on a summary basis without describing the consequences of each step in the Plan of Arrangement. As a result, any reference to an exchange of Company Shares for Share Consideration includes an exchange of Company Shares for Purchaser Subco Shares followed by an exchange of Purchaser Subco Shares for BCE Common Shares pursuant to the Arrangement.

This summary is of a general nature only and is not, and is not intended to be, nor should it be construed to be, legal or tax advice or representations to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Holders are urged to consult their own legal and tax advisors with respect to the tax consequences to them having regard to their particular circumstances, including the application and effect of the income and other tax laws of any country, province or other jurisdiction that may be applicable to the Holder.

Holders Resident in Canada

This part of the summary is applicable only to a Holder who, for purposes of the Tax Act and any applicable income tax treaty or convention and at all relevant times, is resident, or is deemed to be resident, in Canada (a "**Resident Holder**").

Certain Resident Holders whose Company Shares, or BCE Common Shares might not otherwise constitute capital property may be eligible to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Company Shares, BCE Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years, be deemed to be capital property. Resident Holders contemplating such an election should first consult their own tax advisors.

A Resident Holder may elect to exchange all of such Resident Holder's Company Shares for Cash Consideration or Share Consideration. Pursuant to the Arrangement, there is a fixed amount of Cash Consideration that will be paid to, and a fixed amount of Share Consideration that will be issued to Company Shareholders (depending on the number of outstanding Company Shares at the Effective Time) and accordingly a Resident Holder may receive a combination of Cash Consideration and Share Consideration for each of his, her or its Company Shares notwithstanding that such Resident Holder had elected to receive either Cash Consideration or Share Consideration in such Resident Holder's Letter of Transmittal and Election Form. The tax consequences to a Resident Holder in respect of the exchange of his, her or its Company Shares will depend on whether the Company Shares are exchanged for Cash Consideration, Share Consideration or a combination of Cash Consideration and Share Consideration.

Disposition of Company Shares Pursuant to the Arrangement

Exchange of Company Shares for Cash Consideration only or a Combination of Share Consideration and Cash Consideration – No Tax Election

A Resident Holder whose Company Shares are exchanged for Cash Consideration only, or a combination of Share Consideration and Cash Consideration pursuant to the Arrangement and who does not make a valid Tax Election (as defined herein), will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Resident Holder's Company Shares immediately before the exchange.

For purposes of computing the capital gain or capital loss realized upon the disposition of Company Shares, such a Resident Holder will be considered to have disposed of such Resident Holder's Company Shares for proceeds of disposition equal to the aggregate of the cash received in respect of such Company Shares (including cash received in lieu of a fractional share) and the fair market value (determined at the time of the exchange) of any BCE Common Shares received in consideration therefor. For a description of the treatment of capital gains and capital losses, see "*– Disposition of Company Shares Pursuant to the Arrangement – Taxation of Capital Gains and Capital Losses*" below.

The cost to the Resident Holder of any BCE Common Shares acquired on the exchange will equal the aggregate fair market value of the Company Shares disposed of by such Resident Holder (determined at the time of the exchange), less the aggregate amount of cash received on the exchange. For the purposes of determining the adjusted cost base of all BCE Common Shares owned by the Resident Holder as capital property immediately after the exchange, the cost of such BCE Common Shares will be determined by averaging the cost of BCE Common Shares acquired on the exchange with the adjusted cost base of any other BCE Common Shares owned at that time.

Exchange of Company Shares for Share Consideration Only – No Tax Election

In the case of a Resident Holder who receives only Share Consideration (except for cash in lieu of a fractional share, if applicable), a capital gain or capital loss that would otherwise be realized on the exchange of a Company Share may be deferred under the provisions of subsection 85.1(1) of the Tax Act.

In general, under this provision a Resident Holder will be deemed to have disposed of the Resident Holder's Company Shares for proceeds of disposition equal to the adjusted cost base of such shares to the Resident Holder immediately before the disposition, and will be deemed to have acquired the BCE Common Shares at a cost equal to such adjusted cost base. This deferral will not apply where (a) such Resident Holder has, in the Resident Holder's income tax return for the year of the exchange, included in computing its income for that year any portion of the gain or loss otherwise determined from the disposition of such exchanged Company Shares, (b) such Resident Holder has made a Tax Election in respect of such exchanged Company Shares, or (c) immediately after the exchange, such Resident Holder, or persons with whom such Resident Holder does not deal at arm's length for purposes of the Tax Act, or such Resident Holder together with such persons, either controls Purchaser Subco or BCE, as applicable, or beneficially owns shares of the capital stock of Purchaser Subco or BCE, as applicable, having a fair market value of more than 50% of the fair market value of all outstanding shares of the capital stock of Purchaser Subco or BCE. Pursuant to the CRA's current administrative practices a Resident Holder who receives cash not exceeding $200 in lieu of a fractional BCE Common Share will have the option of recognizing the resulting capital gain or capital loss, or alternatively of reducing the adjusted cost base of BCE Common Shares, acquired by the amount of cash so received.

Resident Holders who in their income tax returns for the year of exchange, include in their income for the year of exchange any portion of the gain or loss otherwise determined in respect of such exchanged Company Shares will be deemed to have disposed of such exchanged Company Shares for proceeds of disposition equal to the fair market value of the BCE Common Shares (and cash in lieu of a fractional share, if applicable) received in exchange therefor and to have acquired such BCE Common Shares at a cost equal to such fair market value. A Resident Holder who desires to realize a portion only of the gain or loss is urged to consult such Resident Holder's own tax advisors in this regard, including with respect to the possibility of making a Tax Election. See "*– Disposition of Company Shares Pursuant to the Arrangement – Exchange of Company Shares for Share Consideration only or a Combination of Share Consideration and Cash Consideration – Tax Election*" below. For a description of the treatment of capital gains and capital losses, see "*– Disposition of Company Shares Pursuant to the Arrangement – Taxation of Capital Gains and Capital Losses*" below.

For the purposes of determining, the adjusted cost base of all BCE Common Shares owned by the Resident Holder as capital property immediately after the exchange, the cost of such shares will be determined by averaging the cost of BCE Common Shares acquired on the exchange with the adjusted cost base of any other BCE Common Shares owned at that time.

Exchange of Company Shares for Share Consideration only or a Combination of Share Consideration and Cash Consideration – Tax Election

The following applies to a Resident Holder who is an Eligible Holder. An Eligible Holder who receives Share Consideration only or a combination of Cash Consideration and Share Consideration under the Arrangement may obtain a full or partial tax deferral in respect of the disposition of Company Shares by filing with the CRA (and, where applicable, with a provincial tax authority) a joint election made by the Eligible Holder and Purchaser Subco under subsection 85(1) of the Tax Act (or, in the case of a partnership, under subsection 85(2) of the Tax Act, provided all members of the partnership jointly elect) and the corresponding provisions of any applicable provincial tax legislation (collectively, the "**Tax Election**").

A Company Shareholder who elects to receive Share Consideration, but, because of proration, receives a combination of Share Consideration and Cash Consideration, will be required to make a joint election under subsections 85(1) or 85(2) of the Tax Act and the corresponding provisions of any applicable provincial tax legislation, in order to obtain a full or partial tax deferral.

So long as, at the time of the disposition, the adjusted cost base to an Eligible Holder of the Eligible Holder's Company Shares equals or exceeds the aggregate of the amount of any cash received as a result of such disposition by such Eligible Holder, the Eligible Holder may select an Elected Amount so as to not realize a capital gain for the purposes of the Tax Act on the exchange. The "**Elected Amount**" means the amount selected by an Eligible Holder, subject to the limitations described below, in a Tax Election to be treated as the Eligible Holder's proceeds of disposition of the Company Shares.

In general, where a Tax Election is made, the Elected Amount must comply with the following rules:

(a) the Elected Amount may not be less than the aggregate of the amount of cash received by the Eligible Holder as a result of the disposition;

(b) the Elected Amount may not be less than the lesser of the adjusted cost base to the Eligible Holder of the Company Shares disposed of, determined at the time of the disposition, and the fair market value of the Company Shares at that time; and

(c) the Elected Amount may not exceed the fair market value of the Company Shares at the time of the disposition.

Where an Eligible Holder and Purchaser Subco make a Tax Election that complies with the rules above, the tax treatment to the Eligible Holder generally will be as follows:

(a) the Company Shares will be deemed to have been disposed of by the Eligible Holder for proceeds of disposition equal to the Elected Amount;

(b) if the Elected Amount is equal to the aggregate of the adjusted cost base to the Eligible Holder of the Company Shares, determined at the time of the disposition, and any reasonable costs of disposition, no capital gain or capital loss will be realized by the Eligible Holder;

(c) to the extent that the Elected Amount exceeds (or is less than) the aggregate of the adjusted cost base of the Company Shares to the Eligible Holder and any reasonable costs of disposition, the Eligible Holder will in general realize a capital gain (or capital loss); and

(d) the aggregate cost to the Eligible Holder of the BCE Common Shares acquired under the Arrangement will equal the amount, if any, by which the Elected Amount exceeds the aggregate of the amount of cash received by the Eligible Holder as a result of the disposition.

Purchaser Subco has agreed to make a Tax Election with an Eligible Holder at the amount determined by such Eligible Holder, subject to the limitations set out in subsection 85(1) or subsection 85(2) of the Tax Act (or any applicable provincial tax legislation).

Towards the completion of the Arrangement, a tax instruction letter (the "**Tax Instruction Letter**") providing certain instructions on how to complete the relevant Tax Election forms will be available at BCE's website (www.bce.ca/investors).

Purchaser Subco will make a Tax Election only with an Eligible Holder, and at the amount selected by the Eligible Holder subject to the limitations set out in the Tax Act (and any applicable provincial tax legislation). Neither Purchaser Subco, BCE, nor MTS will be responsible for the proper completion or filing of any election form, and the Eligible Holder will be solely responsible for payment of any late filing penalty. Purchaser Subco agrees only to execute an election form containing information provided by the Eligible Holder which complies with the provisions of the Tax Act (and any applicable provincial tax legislation) and to provide such executed election form to the Eligible Holder for filing with the CRA (and any applicable provincial tax authority). At its sole discretion, Purchaser Subco may accept and execute an election form that is not received within the 90 day period; however, no assurances can be given that Purchaser Subco will do so. Accordingly, all Eligible Holders who wish to make a joint election with Purchaser Subco should give their immediate attention to this matter. With the exception of execution and delivery of the election form by Purchaser Subco, compliance with the requirements for a valid Tax Election will be the sole responsibility of the Eligible Holder making the election. Accordingly, none of Purchaser Subco, BCE, MTS or the Depositary will be responsible or liable for taxes, interest, penalties, damages or expenses resulting from the failure by anyone to provide information necessary for the election in accordance with the procedures set out in the Tax Instruction Letter, to properly complete any election form or to properly file it within the time prescribed and in the form prescribed under the Tax Act (or the corresponding provisions of any applicable provincial tax legislation).

In order for the CRA to accept a Tax Election without a late filing penalty being paid by an Eligible Holder, the election form must be received by the CRA on or before the day that is the earliest of the days on or before which either Purchaser Subco, or the Eligible Holder (or any partner thereof where the Eligible Holder is a partnership) is required to file an income tax return for the taxation year in which the disposition occurs. Purchaser Subco's 2016 taxation year is scheduled to end on December 31, 2016, although it may end earlier as a result of an event such as an amalgamation. A corporation is required to file an income tax return within six months of its taxation year end. Eligible Holders are urged to consult their own advisors as soon as possible respecting the deadlines (including where applicable, provincial deadlines) applicable to their own particular circumstances; **however, regardless of such deadlines, information necessary for an Eligible Holder to make a Tax Election must be received by Purchaser Subco in accordance with the procedures set out in the Tax Instruction Letter no later than 90 days after the Effective Date.**

Any Eligible Holder who does not ensure that a Tax Election form has been received by Purchaser Subco in accordance with the procedures set out in the Tax Instruction Letter within the time period noted above may not be able to benefit from the tax deferral provisions in subsections 85(1) and 85(2) of the Tax Act (or the corresponding provisions of any applicable provincial tax legislation). Accordingly, all Eligible Holders who wish to make a Tax Election with Purchaser Subco should give their immediate attention to this matter. Eligible Holders are referred to Information Circular 76-19R3 and Interpretation Bulletin IT-291R3 (archived) issued by the CRA for further information respecting the Tax Election. Eligible Holders wishing to make the Tax Election are urged to consult their own tax advisors. The comments herein with respect to the Tax Election are provided for general assistance only. The law in this area is complex and contains numerous technical requirements.

Taxation of Capital Gains and Capital Losses

Generally, a Resident Holder will be required to include in computing his, her or its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by it in that year. A Resident Holder will be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years, subject to and in accordance with the detailed rules contained in the Tax Act.

The amount of any capital loss realized on the disposition of a Company Share or BCE Common Share by a Resident Holder that is a corporation may, to the extent and under the circumstances specified by the Tax Act, be reduced by the amount of any dividends received or deemed to have been received by the corporation on such share (or on a share for which such share is substituted or exchanged). Similar rules may apply where shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant are urged to consult their own tax advisors.

A Resident Holder that is throughout the year a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay an additional refundable tax on certain investment income, including taxable capital gains realized, interest and certain dividends.

Capital gains realized by a Resident Holder who is an individual or a trust, other than certain specified trusts, will be taken into account in determining liability for alternative minimum tax under the Tax Act.

Dissenting Holders

A Dissenting Holder that is a Resident Holder (a "**Resident Dissenting Holder**") will be deemed (i) to transfer such Resident Dissenting Holder's Company Shares to Purchaser Subco in exchange for payment by Purchaser Subco of the fair value of such Company Shares or (ii) to receive the Cash Consideration, the Share Consideration or a combination of the Cash Consideration and the Share Consideration in accordance with the provisions applicable to Company Shareholders who do not make an election, described under "*The Arrangement – Arrangement Mechanics – Election*". In general, a Resident Dissenting Holder who receives the fair value of the Resident Dissenting Holder's Company Shares will realize a capital gain (or capital loss) equal to the amount by which the cash received

in respect of the fair value of the Resident Dissenting Holder's Company Shares (other than in respect of interest awarded by a court) net of any reasonable costs of disposition, exceeds (or is less than) the adjusted cost base of the Company Shares immediately before the exchange. Interest, if any, awarded by a court to a Resident Dissenting Holder will be included in the Dissenting Holder's income for the purposes of the Tax Act.

In general, the tax consequences as described above under "*Holders Resident in Canada – Disposition of Company Shares Pursuant to the Arrangement*" should apply to a Resident Dissenting Holder who receives consideration other than the fair value of such Resident Dissenting Holder's Company Shares.

Resident Dissenting Holders are advised to consult their own tax advisors.

Holding and Disposing of BCE Common Shares

Dividends on BCE Common Shares

Dividends on BCE Common Shares will be included in the recipient's income for the purposes of the Tax Act. Such dividends received by a Resident Holder who is an individual will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to taxable dividends received from taxable Canadian corporations. Provided that appropriate designations are made by BCE at or prior to the time the dividend is paid, such dividend will be treated as an eligible dividend for the purposes of the Tax Act and a Resident Holder who is an individual will be entitled to an enhanced dividend tax credit in respect of such dividend.

Dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax.

In the case of a Resident Holder of BCE Common Shares that is a corporation, dividends received on BCE Common Shares will be required to be included in computing the corporation's income for the taxation year in which such dividends are received and will generally be deductible in computing the corporation's taxable income. In certain circumstances, subsection 55(2) of the Tax Act (as proposed to be amended by Tax Proposals released on April 18, 2016) will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Accordingly, Resident Holders that are corporations should consult their own tax advisors for specific advice with respect to the potential application of this provision.

A Resident Holder of BCE Common Shares that is a "private corporation" (as defined in the Tax Act), or any other corporation resident in Canada and controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), may be liable under Part IV of the Tax Act to pay a refundable tax on dividends received on BCE Common Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income.

Disposition of BCE Common Shares

A disposition or deemed disposition of a BCE Common Share by a Resident Holder (other than a disposition to BCE except where such disposition is the result of a purchase in the open market in the manner in which shares are normally purchased by a member of the public in the open market) will generally result in a capital gain (or a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the holder of the BCE Common Share immediately before the disposition. For a description of the tax treatment of capital gains and capital losses, see "– Disposition of Shares Pursuant to the Arrangement – Taxation of Capital Gains and Capital Losses" above.

Eligibility for Investment

The BCE Common Shares, provided they are listed on a designated stock exchange as defined in the Tax Act (which currently includes the TSX), will be qualified investments under the Tax Act for a trust governed by a registered retirement savings plans ("**RRSP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan, registered disability savings plan, registered education savings plan or a tax free savings account ("**TFSA**").

Notwithstanding that BCE Common Shares may be qualified investments, the holder of a TFSA or the annuitant under an RRSP or RRIF will be subject to a penalty tax in respect of BCE Common Shares, and other tax consequences may result, if BCE Common Shares are a "prohibited investment" (as defined in the Tax Act) for the TFSA, RRSP or RRIF, as the case may be. The BCE Common Shares will generally be a "prohibited investment" if the holder or the annuitant, as the case may be, does not deal at arm's length with BCE for purposes of the Tax Act or the holder or the annuitant, as the case may be, has a "significant interest" (as defined in the Tax Act) in BCE. In addition, BCE Common Shares will not be a prohibited investment for a TFSA, RRSP or RRIF if such shares are "excluded property" (as defined in the Tax Act) for such TFSA, RRSP or RRIF. Resident Holders are urged to consult their own tax advisors in this regard.

Holders Not Resident in Canada

This part of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is neither resident nor deemed to be resident in Canada, and does not use or hold, and is not deemed to use or hold, Company Shares in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). This part of the summary is not applicable to Non-Resident Holders that are insurers carrying on an insurance business in Canada and elsewhere.

Disposition of Company Shares Pursuant to the Arrangement

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition of Company Shares pursuant to the Arrangement unless those Company Shares constitute "taxable Canadian property" and are not "treaty- protected property" of the Non-Resident Holder.

Generally, a Company Share will not be "taxable Canadian property" of a Non-Resident Holder at a particular time provided that such share is listed on a designated stock exchange as defined in the Tax Act (which includes the TSX) at that time, unless at any time during the 60-month period immediately preceding the particular time (a) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, partnerships in which the Non-Resident Holder or a non-arm's length person holds a membership interest directly or indirectly through one or more partnerships, or the Non-Resident Holder together with such persons or partnerships, owned 25% or more of the issued shares of any class or series of shares of MTS, and (b) more than 50% of the fair market value of the Company Share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists). Notwithstanding the foregoing, Company Shares may otherwise in certain circumstances be deemed to be taxable Canadian property to the Non-Resident Holder for the purposes of the Tax Act. Non-Resident Holders whose Company Shares may constitute taxable Canadian property are urged to consult their own tax advisors for advice having regard to their particular circumstances. For the purposes of the disclosure herein, it has been assumed that throughout the 60-month period ending at the time of the Arrangement, not more than 50% of the fair market value of a Company Share or a Purchaser Subco Share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists).

Even if the Company Shares are considered to be taxable Canadian property to a Non-Resident Holder, a taxable capital gain or an allowable capital loss resulting from the disposition of such Company Shares will not be included in computing the Non-Resident Holder's income for purposes of the Tax Act if the Company Shares constitute "treaty-protected property", as defined in the Tax Act. Company Shares owned by a Non-Resident Holder will generally be treaty-protected property if the gain from the disposition of such shares would, because of an applicable income tax treaty or convention to which Canada is a signatory, be exempt from tax under Part I of the Tax Act.

Nevertheless, even if the Company Shares are considered to be taxable Canadian property but not treaty-protected property to a particular Non-Resident Holder on the disposition thereof pursuant to the Arrangement, such Non-Resident Holder will realize a capital gain (or capital loss) generally in the circumstances and computed in the manner described above under "*Holders Resident in Canada – Disposition of Shares Pursuant to the Arrangement*"

as if the Non- Resident Holder were a Resident Holder thereunder, unless the Non-Resident Holder is entitled to the automatic tax deferral provisions of subsection 85.1(1) of the Tax Act or to make a Tax Election jointly with Purchaser Subco, as described further below.

A Non-Resident Holder whose Company Shares are considered to be taxable Canadian property but not treaty-protected property to the Non-Resident Holder on the disposition thereof pursuant to the Arrangement may be entitled to the automatic tax deferral provisions of subsection 85.1(1) of the Tax Act as described above under the heading "*Holders Resident in Canada – Disposition of Company Shares Pursuant to the Arrangement – Exchange of Company Shares for Share Consideration Only – No Tax Election*" where the Non-Resident Holder receives only Share Consideration pursuant to the Arrangement if such Non-Resident Holder satisfies the conditions set out under such heading and such Non-Resident Holder is generally not a foreign affiliate of a taxpayer resident in Canada that has included the gain or loss otherwise determined in its foreign accrual property income. If subsection 85.1(1) of the Tax Act applies, BCE Common Shares received pursuant to the Arrangement will be deemed to be taxable Canadian property to such Non-Resident Holder in accordance with the rules in the Tax Act.

A Non-Resident Holder that is an Eligible Holder may make a Tax Election jointly with Purchaser Subco to obtain a full or partial deferral for purposes of the Tax Act of the capital gain that would otherwise be realized on the exchange of Company Shares under the Arrangement depending on the Elected Amount and the Eligible Holder's adjusted cost base of the Company Shares at the time of the exchange. The procedures for making a Tax Election and the effects of filing such an election under the Tax Act are as described above for a Resident Holder under the heading "*Holders Resident in Canada - Disposition of Company Shares Pursuant to the Arrangement – Exchange of Company Shares for Share Consideration only or a Combination of Share Consideration and Cash Consideration – Tax Election*". If an Eligible Non-Resident makes a Tax Election jointly with Purchaser Subco, BCE Common Shares received pursuant to the Arrangement will be deemed to be taxable Canadian property to such Eligible Non-Resident in accordance with the rules in the Tax Act.

Non-Resident Holders should consult their own advisors with respect to the availability and advisability of making a Tax Election.

Non-Resident Dissenting Holders

A Dissenting Holder that is a Non-Resident Holder (a "**Non-Resident Dissenting Holder**") will be deemed (i) to transfer such Non-Resident Dissenting Holder's Company Shares to Purchaser Subco in exchange for payment by Purchaser Subco of the fair value of such Company Shares or (ii) to receive the Cash Consideration, the Share Consideration or a combination of the Cash Consideration in accordance with the provisions applicable to Company Shareholders who do not make an election, described under "The Arrangement – Arrangement Mechanics – Election". In general, the tax consequences as described above under "Holders Not Resident in Canada — Disposition of Company Shares Pursuant to the Arrangement" should apply to a Non-Resident Dissenting Holder.

Any interest paid or credited to a Non-Resident Holder exercising its right to dissent in respect of the Arrangement will generally not be subject to Canadian withholding tax.

Non-Resident Dissenting Holders are advised to consult their own tax advisors.

Holding and Disposing of BCE Common Shares

Dividends on BCE Common Shares

Any dividends paid in respect of BCE Common Shares to a Non-Resident Holder will be subject to Canadian withholding tax at a rate of 25%, subject to any reduction pursuant to an applicable income tax treaty or convention. For example, under the Canada-United States Tax Convention (1980), as amended (the "**U.S. Treaty**"), where dividends are paid to, or derived by, a Non-Resident Holder who is a U.S. resident for the purpose of, and who is entitled to the benefits in accordance with the provisions of, the U.S. Treaty, the applicable rate of Canadian withholding tax generally is reduced to 15%.

Disposition of BCE Common Shares

A Non-Resident Holder who holds BCE Common Shares that are not "taxable Canadian property" will not be subject to tax under the Tax Act on the disposition of such BCE Common Shares (other than a disposition to BCE). The circumstances in which BCE Common Shares may constitute "taxable Canadian property" will be the same as described above under "*Holders Not Resident in Canada – Disposition of Shares Pursuant to the Arrangement*".

Even if BCE Common Shares are considered to be "taxable Canadian property" to a Non-Resident Holder, a taxable capital gain resulting from the disposition of BCE Common Shares will not be included in computing the Non-Resident Holder's income for purposes of the Tax Act if BCE Common Shares constitute "treaty-protected property". BCE Common Shares owned by a Non-Resident Holder will generally be "treaty-protected property" if the gain from the disposition of such property would, because of an applicable income tax treaty or convention, be exempt from tax under Part I of the Tax Act. Non-Resident Holders who hold BCE Common Shares that are or may be "taxable Canadian property" are urged to consult their own advisors as to the Canadian income tax consequences of disposing of their BCE Common Shares acquired pursuant to the Arrangement.

In the event that BCE Common Shares constitute taxable Canadian property but not "treaty-protected property" to a particular Non-Resident Holder, the tax consequences as described above under "*Holders Resident in Canada – Disposition of Company Shares Pursuant to the Arrangement – Taxation of Capital Gains and Capital Losses*" will generally apply. A Non-Resident Holder who disposes of taxable Canadian property is urged to consult such Non-Resident Holder's own tax advisors regarding any resulting Canadian reporting obligations.

RISK FACTORS

The following risk factors should be carefully considered by Company Shareholders in evaluating whether to approve the Arrangement Resolution.

Risks Relating to MTS

Whether or not the Arrangement is completed, MTS will continue to face many of the risks that it currently faces with respect to its business and affairs. Certain of these risk factors have been disclosed in the sections entitled "Risks and Uncertainties" in the 2015 MD&A and the Q1 2016 MD&A commencing on pages 20 and 13, respectively, which are incorporated by reference into this information circular and have been filed under MTS' profile on SEDAR at www.sedar.com. Upon request, a Company Shareholder will be provided with a copy of such documents free of charge. See "Additional Information".

Risks Relating to BCE

The business and operations of BCE are subject to risks. In addition to considering the other information in this information circular, Company Shareholders should consider carefully the risk factors set forth in BCE's public disclosure on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. Certain of these risk factors have been disclosed in section 9, "Business risks" of the BCE 2015 MD&A, including in the other sections of the BCE 2015 MD&A referred to in such section 9, as updated in the BCE Q1 2016 MD&A in section 6, "Regulatory environment" and section 7, "Business risks", which BCE 2015 MD&A and BCE Q1 2016 MD&A are incorporated by reference into this information circular and have been filed under BCE's profile on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Risks Relating to BCE following completion of the Arrangement

BCE, following the completion of the Arrangement, will face the same risks currently facing each of MTS and BCE in addition to other risks. See "Risk Factors — Risks Relating to MTS".

Possible Failure to Realize Anticipated Benefits of the Arrangement

BCE is proposing to complete the Arrangement to strengthen the competitive position of BCE in the communications industry and to create the opportunity to realize certain benefits. Achieving the benefits of the Arrangement depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as BCE's ability to realize the anticipated growth opportunities and synergies from combining the MTS businesses and operations with those of BCE. The consummation of the Arrangement and the integration require the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The consummation of the Arrangement and the integration process may lead to greater than expected operational challenges and costs, expenses, liabilities, customer loss and business disruption for BCE (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) and, consequently, the failure to realize, in whole or in part, the anticipated benefits of the Arrangement. In addition, BCE may be required to assume greater than expected liabilities due to undisclosed liabilities of MTS existing at the time of completion of the Arrangement.

Risks Relating to the Arrangement

Conditions precedent to Closing

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside MTS' and BCE's control, including receipt of the Final Order. Other conditions precedent which are outside of MTS' and BCE's control include, without limitation, the receipt of the Required Regulatory Approvals and the Required Shareholder Approval. In addition, the completion of the Arrangement by the Purchaser is conditional on, among

other things, Dissent Rights not having been exercised by the holders of more than 15% of the issued and outstanding Company Shares and no Award being in force and no Action being threatened or pending (other than frivolous or vexatious Actions) against or involving the Company or its Subsidiaries that, if decided against the Company or its Subsidiaries, would result in a Company Material Adverse Effect. There can be no certainty, nor can MTS or BCE provide any assurance, that all conditions precedent to the Arrangement will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived. If the Arrangement is not completed, the market price of the Company Shares may be materially adversely affected. Moreover, a substantial delay in obtaining the Required Regulatory Approvals or the presence of an Award or Action that would result in a Company Material Adverse Effect could result in a prolonged extension of the Outside Date.

The Required Regulatory Approvals may not be obtained

To complete the Arrangement, each of MTS and BCE must make certain filings with and obtain certain consents and approvals from various governmental and regulatory authorities. MTS and BCE have not yet obtained the CRTC Approval, the Competition Act Clearance, or the ISED Approval, all of which are required to complete the Arrangement. Governmental or regulatory agencies could seek to block or challenge the Arrangement or could impose restrictions they deem necessary or desirable in the public interest as a condition to approving the Arrangement. Regulatory authorities may impose certain requirements or obligations as conditions for their approval. These could rise to the level of a Material Remedy, in which case neither MTS nor BCE will be obligated to complete the Arrangement. If such conditions represent a Material Remedy, BCE shall not be required to agree to such conditions, in which case the Arrangement would not be completed and, upon termination of the Arrangement Agreement, BCE would be required to pay the Reverse Termination Fee.

The Company Meeting is expected to take place before all Required Regulatory Approvals have been obtained and before the terms of any conditions to obtain such approvals that may be imposed are known. As a result, if Company Shareholder approval of the transactions contemplated by the Arrangement Agreement is obtained at the Company Meeting, MTS and BCE may make decisions after the special meeting of Company Shareholders to waive a condition or approve certain actions required to obtain necessary approvals without seeking further Company Shareholder approval. Such actions could have an adverse effect on the combined company.

Market Price of the Company Shares

If, for any reason, the Arrangement is not completed or its completion is materially delayed and/or the Arrangement Agreement is terminated, the market price of the Company Shares may be materially adversely affected. MTS' business, financial condition or results of operations could also be subject to various material adverse consequences, including that MTS would remain liable for significant costs relating to the Arrangement including, among others, legal, accounting and printing expenses.

Termination in Certain Circumstances

Each of MTS and BCE has the right, in certain circumstances, in addition to termination rights relating to the failure to satisfy the conditions of Closing, to terminate the Arrangement Agreement. Accordingly, there can be no certainty, nor can MTS provide any assurance, that the Arrangement Agreement will not be terminated by either of MTS or BCE prior to the completion of the Arrangement. See "Summary of Arrangement Agreement — Termination".

The Termination Fee may discourage other parties from proposing a significant business transaction with MTS

Under the Arrangement Agreement, MTS is required to pay to BCE the Company Termination Fee in the event the Arrangement Agreement is terminated following the occurrence of a Company Termination Fee Event. See "Summary of Arrangement Agreement — Termination Fees". The Company Termination Fee may discourage other parties from participating in a transaction with MTS even if those parties might be willing to offer greater value to Shareholders than BCE has offered.

Uncertainty Surrounding the Arrangement

As the Arrangement is dependent upon receipt, among other things, of the Required Regulatory Approvals and satisfaction of certain other conditions, its completion is uncertain. In response to this uncertainty, MTS' clients may delay or defer decisions concerning MTS. Any delay or deferral of those decisions by clients could adversely affect the business and operations of MTS, regardless of whether the Arrangement is ultimately completed. Similarly, uncertainty may adversely affect MTS' ability to attract or retain key personnel.

If the Arrangement is not completed for any reason, there are risks that the announcement of the Arrangement and the dedication of substantial resources of MTS to the completion thereof could have a negative impact on MTS' current business relationships (including with future and prospective employees, customers, distributors, suppliers and partners) and could have a material adverse effect on the current and future operations, financial condition and prospects of MTS. If the Arrangement is not completed and the Board decides to seek an alternative transaction, there can be no assurance that it will be able to find a party willing to pay consideration for the Company Shares that is equivalent to, or more attractive than, the Consideration to be received by Company Shareholders pursuant to the Arrangement.

The actual Consideration received by Company Shareholders will be subject to proration

Pursuant to the Arrangement, Purchaser Subco will acquire all of the outstanding Company Shares, in consideration of which Company Shareholders will be entitled to receive, at the election of each Company Shareholder, either (i) cash of $40.00 per Company Share; or (ii) 0.6756 of a BCE Common Share per Company Share. The elections made by holders of Company Shares will be subject to proration if Company Shareholders collectively elect or are deemed to have elected to receive more than the Maximum Cash Consideration or the Maximum Share Consideration. Under the Arrangement, Company Shareholders will receive, in the aggregate, cash in respect of 45% of the issued and outstanding Company Shares (or approximately $1.336 billion based on the issued and outstanding Company Shares as of May 25, 2016) and BCE Common Shares in respect of 55% of the issued and outstanding Company Shares. Any Company Shareholder that fails to properly make an election on or prior to the Election Deadline will be deemed to have elected to dispose of, subject to proration and rounding, such Company Shares solely for the Cash Consideration.

While the Arrangement is pending, MTS is restricted from taking certain actions

The Arrangement Agreement restricts MTS from taking specified actions until the Arrangement is completed without the consent of BCE. These restrictions may prevent MTS from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement.

The Arrangement Agreement may be terminated by BCE, in which case an alternative transaction may not be available

BCE has the right to terminate the Arrangement Agreement in certain circumstances, including in the case of a Company Material Adverse Effect, which is incapable of being cured on or prior to the Outside Date. Accordingly, there is no certainty that the Arrangement Agreement will not be terminated by BCE before the completion of the Arrangement. If the Arrangement Agreement is terminated, there is no guarantee that equivalent or greater purchase prices for the Company Shares will be available from an alternative party.

The exchange ratio is fixed and will not be adjusted in the event of any change in either MTS' or BCE's respective share prices

Upon Closing, each Company Shareholder receiving Share Consideration will receive 0.6756 of a BCE Common Share for each Company Share. This exchange ratio is fixed in the Plan of Arrangement and will not be adjusted for changes in the market price of either the Company Shares or the BCE Common Shares. Changes in the price of the BCE Common Shares prior to the consummation of the Arrangement will affect the market value that Company

Shareholders will become entitled to receive on the date of Closing. Neither MTS, nor BCE, is permitted to "walk away" from the Arrangement, terminate the Arrangement Agreement or resolicit the vote of its Company Shareholders, in the case of MTS, solely because of changes in the market price of either party's common shares. Share price changes may result from a variety of factors (many of which are beyond MTS' or BCE's control), including the risk factors identified in the 2015 MD&A and the BCE 2015 MD&A, as updated in quarterly MD&As subsequently filed by BCE and MTS.

This information circular does not address any tax considerations of the Arrangement other than certain Canadian federal income tax considerations to Company Shareholders

The Arrangement may have adverse tax consequences for Company Shareholders. While this information circular contains a summary of the principal Canadian federal income tax considerations relevant to Company Shareholders under the heading "Certain Canadian Federal Income Tax Considerations", no tax advice or opinion whatsoever is being provided in this information circular to Company Shareholders who are resident in jurisdictions other than Canada (including Company Shareholders that are United States taxpayers). It is anticipated that information about United States tax consequences, which are not currently determinable, will be provided prior to the Election Deadline. In such circumstances, a United States taxpayer should assume that the United States tax consequences of the Arrangement will be unfavorable. The tax implications of the Arrangement for Company Shareholders who are resident in jurisdictions other than Canada may be materially different than as set out under the heading "Certain Canadian Federal Income Tax Considerations". Accordingly, Company Shareholders who are resident in jurisdictions other than Canada (including Company Shareholders that are United States taxpayers) are urged to consult their own independent tax advisors with respect to the relevant tax implications of the Arrangement and for advice regarding the specific tax considerations applicable to them, including, without limitation, any associated filing requirements, in such jurisdictions.

LEGAL MATTERS

Certain legal matters relating to the Arrangement are to be passed upon by Aikins MacAulay & Thorvaldson LLP and Stikeman Elliott LLP on behalf of MTS and by Taylor McCaffrey LLP, McCarthy Tétrault LLP, and Blake, Cassels & Graydon LLP on behalf of BCE. Paul, Weiss, Rifkind, Wharton & Garrison LLP has advised MTS regarding certain matters of U.S. law and Sullivan & Cromwell LLP has advised BCE regarding certain matters of U.S. law.

ADDITIONAL INFORMATION

You can ask us for a copy of the following documents of MTS, as applicable, at no charge:

- the most recent annual report, which includes audited comparative financial statements and management's discussion and analysis for the financial year ended December 31, 2015 together with the accompanying auditor's report;
- any interim financial statements that were filed after the annual financial statements for the most recently completed financial year;
- management's discussion and analysis for such interim financial statements;
- the management proxy circular for the most recent annual shareholder meeting of MTS; and
- the most recent annual information form, together with any document, or the relevant pages of any document, incorporated by reference therein.

In order to do so, please submit a request to our Investor Relations department at investor.relations@mts.ca. or write to our Investor Relations department at P.O. Box 6666, Room MP19B, 333 Main Street, Winnipeg, Manitoba R3C 3V6, or call 204-941-8849.

The annual and interim financial statements along with the accompanying management's discussion and analysis referred to above provide financial information concerning MTS.

These documents and additional information with respect to MTS are also available on our website at www.mts.ca/investors and under MTS' profile on SEDAR at www.sedar.com.

QUESTIONS AND FURTHER ASSISTANCE

If you have any questions about the information contained in this information circular or require assistance in completing your form of proxy or Letter of Transmittal and Election Form, please contact MTS' proxy solicitation and information agent, D.F. King, toll free at **1-800-398-2816 (1-201-806-7301 by collect call) or by email at inquiries@dfking.com** or the Depositary under the Arrangement, Computershare Trust Company of Canada, toll free at **1-877-982-8757**.

GLOSSARY

In this information circular, unless the context otherwise requires, "you" and "your" refer to the Company Shareholders, as applicable, and "we", "us" and "our" refer to MTS.

The following is a glossary of certain terms used in this information circular:

"**2015 MD&A**" means the Company's management's discussion and analysis for the year ended December 31, 2015;

"**2016 Q1 MD&A**" means the Company's management's discussion and analysis for the three-month period ended March 31, 2016;

"**Acquisition Proposal**" means, other than the transactions contemplated by the Arrangement Agreement and other than any transaction involving only MTS and/or one or more of its wholly-owned Subsidiaries, any offer or proposal from any Person or group of Persons other than BCE (or an affiliate of BCE or any Person acting jointly or in concert with BCE) after the date of the Arrangement Agreement, whether written or oral, relating to: (i) any sale or disposition (or any lease, license or other arrangement having the same economic effect as a sale or disposition) direct or indirect, through one or more related transactions of assets representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated annual revenue of MTS and its Subsidiaries or 20% or more of the voting or equity securities (or rights or interests in such voting or equity securities) of MTS or any of its Subsidiaries whose assets or revenues, individually or in the aggregate, represent 20% or more of the consolidated assets of MTS and its Subsidiaries; (ii) any take-over bid, tender offer, exchange offer or other similar transaction that, if consummated, would result in a Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of MTS or any of its Subsidiaries whose assets represent 20% or more of the consolidated assets of MTS and its Subsidiaries; or (iii) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, or other similar transaction or series of related transactions involving MTS or any of its Subsidiaries whose assets or revenues, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated annual revenue of MTS and its Subsidiaries;

"**Action**" means, with respect to any Person, any litigation, legal action, lawsuit, claim, audit, contractual dispute resolution process or other proceeding (whether civil, administrative, contractual, quasi-criminal or criminal) before any Governmental or Arbitral Entity against or involving such Person or its business or affecting its assets;

"**Aikins**" means Aikins MacAulay & Thorvaldson LLP;

"**Affected Securities**" means, collectively, the Company Shares, Company Options, DCUs, PSUs and RSUs;

"**Affected Securityholders**" means, collectively, the Company Shareholders, the holders of Company Options, the holders of DCUs, the holders of PSUs and the holders of RSUs;

"**affiliate**" has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions*;

"**allowable capital loss**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Disposition of Company Shares Pursuant to the Arrangement — Taxation of Capital Gains or Capital Losses";

"**Allstream**" means Allstream Inc.;

"**Arrangement**" means an arrangement under section 185 of the MCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement or made at the direction of

the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably;

"**Arrangement Agreement**" means the arrangement agreement made as of May 1, 2016 among the Company and the Purchaser (including the schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms;

"**Arrangement Resolution**" means the special resolution approving the Plan of Arrangement to be considered at the Company Meeting by the Company Shareholders;

"**Articles of Arrangement**" means the articles of arrangement of MTS in respect of the Arrangement required by the MCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to MTS and BCE, each acting reasonably;

"**Authorization**" means with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental or Arbitral Entity having jurisdiction over the Person, whether by expiry or termination of an applicable waiting period or otherwise, that is binding upon or applicable to such Person, or its business, assets or securities;

"**Award**" means any judgment, decree, injunction, ruling, award, decision or order of any Governmental or Arbitral Entity;

"**Barclays**" means Barclays Capital Canada Inc.;

"**BCE**" means BCE Inc.;

"**BCE 2015 Annual Report**" has the meaning ascribed thereto under "Information Concerning BCE — BCE Documents Incorporated by Reference";

"**BCE 2015 MD&A**" has the meaning ascribed thereto under "Information Concerning BCE — BCE Documents Incorporated by Reference";

"**BCE Board**" means the board of directors of BCE as constituted from time to time;

"**BCE Common Shares**" has the meaning ascribed thereto under "Information Concerning BCE — Share Capital";

"**BCE Class B Shares**" has the meaning ascribed thereto under "Information Concerning BCE — Share Capital";

"**BCE First Preferred Shares**" has the meaning ascribed thereto under "Information Concerning BCE — Share Capital";

"**BCE Second Preferred Shares**" has the meaning ascribed thereto under "Information Concerning BCE — Share Capital";

"**BCE Q1 2016 MD&A**" has the meaning ascribed thereto under "Information Concerning BCE — BCE Documents Incorporated by Reference";

"**Board**" means the board of directors of the Company as constituted from time to time;

"**Board Recommendation**" means a statement that the Board has, after receiving legal and financial advice, determined that the Arrangement is in the best interests of the Company and is fair to the Company Shareholders and unanimously recommends that Company Shareholders vote in favour of the Arrangement Resolution;

"**Books and Records**" means books and records of the Company and its Subsidiaries, including books of account, Tax records, sales and purchase records, customer and supplier lists, technical documents including specifications, bills of materials and engineering notebooks and business reports, whether in written or electronic form;

"**Breaching Party**" has the meaning ascribed thereto under "Summary of Arrangement Agreement —Termination";

"**Broadcasting Act**" means the *Broadcasting Act* (Canada);

"**Broadridge**" means Broadridge Financial Solutions, Inc.;

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Winnipeg, Manitoba or Toronto, Ontario;

"**Cash Amount**" of a Company Shareholder means, for each Company Share, an amount of cash equal to the quotient obtained when (x) the total amount of cash such Company Shareholder is entitled to receive pursuant to Section 4.1 and Section 4.2 of the Plan of Arrangement is divided by (y) the total number of Company Shares held by such Company Shareholder;

"**Cash Consideration**" means $40.00 per Company Share;

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**Certificate of Amendment**" means the certificate of amendment to be issued by the Director pursuant to subsection 185(13) of the MCA in respect of the Articles of Arrangement;

"**CIBC**" means CIBC World Markets Inc.;

"**Change in Recommendation**" has the meaning ascribed thereto under "Summary of Arrangement Agreement — Termination";

"**Closing**" means the completion of the Arrangement, unless another time or date is agreed to in writing by the Parties;

"**Collective Agreements**" means all collective bargaining agreements or union agreements applicable as at the date of the Arrangement Agreement to the Company or any of its Subsidiaries and all related letters or memoranda of understanding applicable to the Company or any of its Subsidiaries as at the date of the Arrangement Agreement which impose obligations upon the Company or any of its Subsidiaries;

"**Commissioner of Competition**" means the Commissioner of Competition appointed pursuant to Subsection 7(1) of the Competition Act or his or her designee;

"**Company**" means Manitoba Telecom Services Inc.;

"**Company Articles**" means the articles of amalgamation of the Company dated August 3, 2004;

"**Company Disclosure Letter**" means the disclosure letter dated May 1, 2016 and all schedules, exhibits and appendices thereto, delivered by the Company to the Purchaser with the Arrangement Agreement;

"**Company Filings**" means all documents publicly filed by or on behalf of the Company on SEDAR since January 1, 2015 (excluding all disclosures in any "Risk Factors" section and any disclosures included in any such Company Filings that are cautionary, predictive or forward looking in nature);

"**Company Material Adverse Effect**" means any change, event, occurrence, effect or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects or circumstances, is or would reasonably be expected to have a durationally significant impact that is material and adverse to the business,

financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, except any such change, event, occurrence, effect or circumstance arising out of, relating to, resulting from or attributable to:

(a) any change affecting any of the industries in which the Company or any of its Subsidiaries operate;

(b) any change, development or condition in or relating to global, national or regional political conditions (including strikes, lockouts, riots or facility takeover for emergency purposes) or in general economic, business, banking, regulatory, currency exchange, interest rate, rates of inflation or market conditions or in national or global financial or capital markets;

(c) any change, development or condition resulting from any act of sabotage or terrorism or any outbreak of hostilities or declared or undeclared war, or any escalation or worsening of such acts of sabotage, terrorism, hostilities or war;

(d) any change in applicable generally accepted accounting principles, including IFRS;

(e) any earthquake, flood or other natural disaster or outbreaks of illness;

(f) any adoption, proposal, implementation or change in Law or any interpretation, application or non-application of any Laws by any Governmental or Arbitral Entity, including the outcome of any review by the CRTC of the regulatory framework relating to basic telecommunications services;

(g) any action taken (or omitted to be taken) by the Company or any of its Subsidiaries which is required to be taken (or omitted to be taken) pursuant to the Arrangement Agreement or that is consented to by the Purchaser in writing;

(h) any matter which has been disclosed by the Company in the Company Disclosure Letter or in the Company Filings prior to May 1, 2016;

(i) any labour strike, dispute, work slowdown or stoppage involving or threatened against the Company or its Subsidiaries;

(j) the execution, announcement, pendency or performance of the Arrangement Agreement or consummation of the Arrangement, including any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Company or any of its Subsidiaries with any of its current or prospective employees, unions, shareholders, regulators, lenders, suppliers, contractual counterparties or other business partners;

(k) the failure of the Company to meet any internal, published or public projections, forecasts, guidance or estimates, including without limitation of revenues, earnings or cash flows (it being understood that the causes underlying such failure may be taken into account in determining whether a Company Material Adverse Effect has occurred, provided that such causes are not referred to in clauses (a)-(j) above); or

(l) any change in the market price or trading volume of any securities of the Company (it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Company Material Adverse Effect has occurred, provided that such causes are not referred to in clauses (a)-(k) above), or any suspension of trading in securities generally on any securities exchange on which any securities of the Company trade;

provided, however, (i) if an effect referred to in clauses (a) through to and including (f) above, has a materially disproportionate effect on the Company and its Subsidiaries, taken as a whole, relative to other comparable

companies and entities operating in the industries in which the Company or any of its Subsidiaries operate, such effect may be taken into account in determining whether a Company Material Adverse Effect has occurred; and (ii) references in certain sections of the Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative for purposes of determining whether a "Company Material Adverse Effect" has occurred;

"**Company Meeting**" means the special meeting of Company Shareholders, including any adjournment or postponement thereof in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Company Circular and agreed to in writing by the Purchaser;

"**Company Options**" means the outstanding options to purchase Company Shares issued pursuant to the Stock Option Plan;

"**Company Shares**" means the common shares in the capital of the Company and a "**Company Share**" means a common share in the capital of the Company;

"**Company Shareholders**" means the registered and/or beneficial holders of the Company Shares, as the context requires, and includes following the step in Section 3.1(c) of the Plan of Arrangement the registered and/or beneficial holders of Purchaser Subco Shares who receive such Purchaser Subco Shares in exchange for their Company Shares;

"**Company Termination Fee**" means $120,000,000;

"**Company Termination Fee Event**" has the meaning ascribed thereto under "Summary of Arrangement Agreement — Termination Fees";

"**Competition Act**" means the *Competition Act* (Canada);

"**Competition Act Clearance**" means:

i. the Purchaser shall have received an advance ruling certificate issued by the Commissioner of Competition under Subsection 102(1) of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement; or

ii. both of the following shall have occurred:

A. the relevant waiting period under Section 123 of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement, including any extension of any applicable waiting periods, shall have expired, been waived or been terminated, and

B. the Purchaser shall have received a No Action Letter;

"**Confidentiality Agreement**" means the confidentiality and non-disclosure agreement between the Company and the Purchaser dated April 26, 2016;

"**Consideration**" means, with respect to each Company Share, (i) the Cash Consideration or (ii) the Share Consideration receivable pursuant to the Plan of Arrangement, subject to proration in accordance with the Plan of Arrangement;

"**Contemplated Reorganization Transaction**" has the meaning ascribed thereto under "Summary of Arrangement Agreement — Covenants — Cooperation regarding Reorganization";

"**Contract**" means any legally binding agreement, commitment, engagement, contract, licence, lease, obligation or undertaking to which the Company or any of its Subsidiaries or the JV is a party or by which the Company or any of its Subsidiaries or the JV is bound or affected or to which any of its assets is subject;

"**Court**" means the Court of Queen's Bench of Manitoba, or other court as applicable;

"**CRA**" means the Canada Revenue Agency;

"**CRTC**" means the Canadian Radio-television and Telecommunications Commission or any successor body thereto;

"**CRTC Approval**" means the receipt of the approval from the CRTC required under Section 4(4) of the Broadcasting Distribution Regulations under the Broadcasting Act in connection with the transactions contemplated hereby;

"**CRTC Reorganization Approval**" has the meaning ascribed thereto under "Summary of Arrangement Agreement — Covenants — Regulatory Approvals";

"**D.F. King**" means D.F. King Canada, the Company's proxy solicitation and information agent;

"**DCA Plan**" means the Company's Directors' Share Appreciation Plan adopted as of September 24, 1999, as amended;

"**DCUs**" means the deferred compensation units issued or outstanding under the DCA Plan (including, for greater certainty, units issued or paid as dividend equivalents);

"**Demand for Payment**" means a written notice containing a Dissenting Holder's name and address, the number and class of Company Shares in respect of which that Dissenting Holder dissents, and a demand for payment of the fair value of such Company Shares;

"**Depositary**" means Computershare Trust Company of Canada;

"**Director**" means the Director appointed pursuant to Section 253 of the MCA;

"**Dissent Rights**" means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement;

"**Dissent Notice**" has the meaning ascribed thereto under "Dissenting Holder's Rights";

"**Dissenting Holder**" means a Registered Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Company Shares in respect of which Dissent Rights are validly exercised by such Registered Shareholder;

"**Dissenting Shares**" means Company Shares in respect of which a Dissenting Holder has validly exercised its Dissent Rights;

"**DRIP**" means the Company's Dividend Re-Investment Plan;

"**EDGAR**" means the Electronic Data Gathering, Analysis, and Retrieval system;

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement;

"**Effective Time**" means 12:01 a.m. (Manitoba time) on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date;

"**Election Deadline**" means 5:00 p.m. (Toronto time) on the date that is three Business Days prior to the Effective Date, unless otherwise agreed in writing by the Purchaser and the Company;

"**Elected Amount**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Disposition of Company Shares Pursuant to the Arrangement";

"**Eligible Holder**" means a beneficial holder of Company Shares that is: (i) a resident of Canada for the purposes of the Tax Act and not exempt from tax under Part I of the Tax Act; (ii) a partnership, any member of which is a resident of Canada for the purposes of the Tax Act (other than a partnership all members of which are residents of Canada that are exempt from tax under Part I of the Tax Act); or (iii) a non-resident of Canada, or a partnership with one or more non-resident members, whose Company Shares are "taxable Canadian property" for purposes of the Tax Act;

"**ESOP**" means the Company's Employee Share Ownership Plan;

"**Fairness Opinions**" means the opinions of each of Barclays, CIBC and TD Securities to the effect that, as of the date of the Arrangement Agreement, the Consideration to be received by the Company Shareholders is fair, from a financial point of view, to such holders, and "**Fairness Opinion**" means any one of them;

"**Final Order**" means the order of the Court approving the Arrangement, as such order may be amended by the Court (with the consent of each of the Parties, acting reasonably) at any time prior to the Effective Date or as such order may be affirmed or amended on appeal (provided that any such amendment is satisfactory to each of the Parties, acting reasonably);

"**Governmental or Arbitral Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau, minister, ministry, governor in council, cabinet, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, (iv) any stock exchange or (v) any arbitration panel or arbitrator deciding or resolving contractual disputes or interpreting any provisions of a Contract;

"**Holder**" has the meaning ascribed thereto in "Certain Canadian Federal Income Tax Considerations";

"**HRCC**" means the Human Resources and Compensation Committee of the Board;

"**IFRS**" means generally accepted accounting principles as set out in the *CPA Canada Handbook – Accounting* for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis;

"**Incentive Awards**" means equity based incentive awards of the Company, including Company Options, DCUs, RSUs and/or PSUs;

"**Information Sharing Procedures**" has the meaning ascribed thereto in the Confidentiality Agreement;

"**Initial BCE Proposal**" has the meaning ascribed thereto under "The Arrangement — Background to Arrangement – BCE Proposal";

"**Interim Order**" means the interim order of the Court providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably;

"**Intermediary**" has the meaning ascribed thereto under "Information Concerning the Company Meeting and Voting — Non-Registered Shareholders";

"**ISED Approval**" means the receipt of any approval required from ISED Canada to the transfer of the ISED Licenses in connection with the transactions contemplated in the Arrangement Agreement;

"**ISED Canada**" means the Minister of Innovation, Science and Economic Development acting in accordance with the powers and discretion accorded to the Minister under the Radiocommunication Act and where the context so requires, his designees at Innovation, Science and Economic Development;

"**ISED Licenses**" means those radio or spectrum licenses issued by ISED Canada pursuant to the Radiocommunication Act to the Company or its Subsidiaries which contain, as a condition of such license, the requirement to seek the prior approval of ISED Canada to a transfer or a deemed transfer of such license as a result of a change of control of the Company, which include the licenses set forth in Section 1.1 of the Company Disclosure Letter;

"**ISED Reorganization Approval**" has the meaning ascribed thereto under "Summary of Arrangement Agreement — Covenants — Regulatory Approvals";

"**JV**" means 7211431 Canada Inc.;

"**Law**" means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, Award, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated, rendered, issued, ordered or applied by a Governmental or Arbitral Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental or Arbitral Entity, as amended unless expressly specified otherwise;

"**Letter of Transmittal and Election Form**" means the letter of transmittal and election form to be sent by the Company to Company Shareholders in connection with the Arrangement;

"**Lien**" means any mortgage, charge, pledge, encumbrance, hypothec, security interest, prior claim or lien (statutory or otherwise), in each case, whether contingent or absolute;

"**Manitoba Commitments**" has the meaning ascribed thereto under "The Arrangement — Background to Arrangement – BCE Proposal";

"**Manitoba Reorganization Act**" means *The Manitoba Telephone System Reorganization and Consequential Amendments Act* (Manitoba);

"**Matching Period**" has the meaning ascribed thereto under "Summary of Arrangement Agreement — Additional Covenants Regarding Non-Solicitation";

"**Material Contract**" means (i) any Collective Agreement, (ii) any Contract that is a wireless network arrangement agreement, including the Network Operating Agreement and all Contracts with Rogers Communications Partnership or its affiliates related to the Network Operating Agreement, (iii) any Contract that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Company Material Adverse Effect; (iv) any Contract relating directly or indirectly to the guarantee of any liabilities or obligations or to indebtedness for borrowed money in excess of $25 million in the aggregate; (v) any Contract under which indebtedness in excess of $25 million is or may become outstanding, other than any such Contract between two or more wholly-owned Subsidiaries of the Company or between the Company and one or more of its wholly-owned Subsidiaries; (vi) any Contract under which the Company or any of its Subsidiaries is obligated to make or expects to receive payments in excess of $25 million over the remaining term; (vii) any Contract that creates an exclusive dealing arrangement or right of first offer or refusal; (viii) any Contract providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset where the purchase or sale price or agreed value or fair market value of such property or asset exceeds $25 million; (ix) any Contract that limits or restricts in any material respect (A) the ability of the Company or any Subsidiary or the JV to engage in any line of business or carry on business in any geographic area, or (B) the scope of Persons to whom the Company or any of its Subsidiaries or the JV may sell products or (x)

any Contract providing for the establishment, investment in, organization or formation of any joint venture, partnership or other revenue sharing arrangements in which the interest of the Company or its Subsidiaries has a fair market value which exceeds $30 million;

"**Material Remedy**" means any requirement that the Purchaser, the Company or any of their respective Subsidiaries: (i) divest, sell or otherwise dispose of; (ii) condition or modify the operation of (including having to cease operating, license, return or otherwise restrict the freedom of action with respect to); or (iii) hold separate; any assets, rights or businesses in order to secure the Competition Act Clearance or the ISED Approval that would be material and adverse;

"**Maximum Cash Consideration**" means an amount in cash equal to the product obtained by multiplying (i) the product of 45% and $40.00, by (ii) the aggregate number of issued and outstanding Company Shares at the Effective Time;

"**Maximum Share Consideration**" means a number of BCE Common Shares equal to the product obtained by multiplying (i) the product of 55% and 0.6756 BCE Common Shares, by (ii) the aggregate number of issued and outstanding Company Shares at the Effective Time;

"**MCA**" means *The Corporations Act* (Manitoba);

"**MI 61-101**" means Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions*, as it may be amended or re-enacted from time to time;

"**Misrepresentation**" has the meaning ascribed thereto under Securities Laws;

"**MTS**" means Manitoba Telecom Services Inc.;

"**Network Operating Agreement**" means the Amended and Restated Network Operating Agreement entered into between Rogers Communications Partnership, MTS Inc. and 7211431 Canada Inc. dated April 15, 2013, as amended on September 11, 2013, January 1, 2014 and December 18, 2014, as it may be further amended from time to time;

"**No Action Letter**" means written confirmation from the Commissioner of Competition that he or she does not, at that time, intend to make an application under Section 92 of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement;

"**Non-Registered Shareholder**" means a beneficial owner of Company Shares that are registered either in the name of an Intermediary or in the name of a depositary;

"**Non-Resident Dissenting Holder**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Holders Not Resident in Canada — Non-Resident Dissenting Holders";

"**Non-Resident Holder**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Holders Not Resident in Canada";

"**Notice of Appearance**" has the meaning ascribed thereto under "Certain Legal and Regulatory Matters – Court Approval and Completion of the Arrangement";

"**Notice of Meeting**" means the Notice of Special Meeting of Company Shareholders accompanying this information circular;

"**NYSE**" means the New York Stock Exchange;

"**officer**" has the meaning ascribed thereto in *The Securities Act* (Manitoba);

"**Offer to Pay**" has the meaning ascribed thereto under "Dissenting Holders' Rights";

"**Ordinary Course**" means, with respect to an action taken by the Company or its Subsidiaries or the JV, that such action is taken in the ordinary course of the normal day-to-day operations of the business of the Company and its Subsidiaries and the JV consistent with past practice;

"**Outside Date**" means May 1, 2017, or such later date as may be agreed to in writing by the Parties, subject to the right of any Party to extend the Outside Date for (i) up to an additional 60 days (in 30-day increments) if the condition in Section 6.1(4) of the Arrangement Agreement has not been satisfied, or (ii) up to an additional 180 days (in 30-day increments) if the condition in Section 6.1(2), Section 6.1(3) or Section 6.2(4) of the Arrangement Agreement has not been satisfied, by giving written notice to the other Party to such effect no later than 5:00 p.m. (Toronto time) on the date that is not less than five (5) days prior to the original Outside Date (and any subsequent Outside Date); provided that notwithstanding the foregoing, a Party shall not be permitted to extend the Outside Date if the failure of the condition in Section 6.1(2), Section 6.1(3), Section 6.1(4) or Section 6.2(4) of the Arrangement Agreement to be satisfied, as applicable, is primarily the result of such Party's failure to comply with its covenants herein;

"**Parties**" means, collectively, the Company and the Purchaser and "**Party**" means either of them;

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental or Arbitral Entity), syndicate or other entity, whether or not having legal status;

"Permitted Dividends" means a single quarterly cash dividend on the Company Shares in an amount not to exceed $0.325 per Company Share, to be declared in the second quarter of fiscal 2016 and paid in the third quarter of fiscal 2016;

"**Plan of Arrangement**" means the plan of arrangement attached at Appendix "B", subject to any amendments or variations to such plan made in accordance with the Arrangement Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably;

"**Plan of Arrangement Value**" means the aggregate amount to be paid to holders of RSUs and/or PSUs designated by the Purchaser on account of their RSUs and PSUs pursuant to, and in accordance with, the Plan of Arrangement;

"**PSU Plan**" means the Company's Performance Share Unit Plan adopted as of December 2, 2004, as amended;

"**PSUs**" means the performance share units issued or outstanding under the PSU Plan (including, for greater certainty, units issued or paid as dividend equivalents);

"**Purchaser**" means BCE Inc.;

"**Purchaser Filings**" means all documents publicly filed by or on behalf of the Purchaser on SEDAR or EDGAR since January 1, 2015 (excluding all disclosures in any "Risk Factors" section and any disclosures included in any such Purchaser Filings that are cautionary, predictive or forward looking in nature);

"**Purchaser Material Adverse Effect**" means any change, event, occurrence, effect or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects or circumstances, is or would reasonably be expected to have a durationally significant impact that is material and adverse to the business, financial condition or results of operations of the Purchaser and its Subsidiaries, taken as a whole, except any such change, event, occurrence, effect or circumstance arising out of, relating to, resulting from or attributable to:

(a) any change affecting any of the industries in which the Purchaser or any of its Subsidiaries operate;

any change, development or condition in or relating to global, national or regional political conditions (including strikes, lockouts, riots or facility takeover for emergency purposes) or in general economic, business, banking, regulatory, currency exchange, interest rate, rates of inflation or market conditions or in national or global financial or capital markets;

(b) any change, development or condition resulting from any act of sabotage or terrorism or any outbreak of hostilities or declared or undeclared war, or any escalation or worsening of such acts of sabotage, terrorism, hostilities or war;

(c) any change in applicable generally accepted accounting principles, including IFRS;

(d) any earthquake, flood or other natural disaster or outbreaks of illness;

(e) any adoption, proposal, implementation or change in Law or any interpretation, application or non-application of any Laws by any Governmental or Arbitral Entity, including the outcome of any review by the CRTC of the regulatory framework relating to basic telecommunications services;

(f) any action taken (or omitted to be taken) by the Purchaser or any of its Subsidiaries which is required to be taken (or omitted to be taken) pursuant to the Arrangement Agreement or that is consented to by the Company in writing;

(g) any matter which has been disclosed by the Purchaser in the Purchaser Filings prior to May 1, 2016;

(h) any labour strike, dispute, work slowdown or stoppage involving or threatened against the Purchaser or its Subsidiaries;

(i) the execution, announcement, pendency or performance of the Arrangement Agreement or consummation of the Arrangement, including any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Purchaser or any of its Subsidiaries with any of its current or prospective employees, unions, shareholders, regulators, lenders, suppliers, contractual counterparties or other business partners;

(j) the failure of the Purchaser to meet any internal, published or public projections, forecasts, guidance or estimates, including without limitation of revenues, earnings or cash flows (it being understood that the causes underlying such failure may be taken into account in determining whether a Purchaser Material Adverse Effect has occurred, provided that such causes are not referred to in clauses (a)-(j) above); or

(k) any change in the market price or trading volume of any securities of the Purchaser (it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Purchaser Material Adverse Effect has occurred, provided that such causes are not referred to in clauses (a)-(k) above), or any suspension of trading in securities generally on any securities exchange on which any securities of the Purchaser trade;

provided, however, (i) if an effect referred to in clauses (a) through to and including (f) above, has a materially disproportionate effect on the Purchaser and its Subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the industries in which the Purchaser or any of its Subsidiaries operate, such effect may be taken into account in determining whether a Purchaser Material Adverse Effect has occurred; and (ii) references in certain sections of the Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative for purposes of determining whether a "Purchaser Material Adverse Effect" has occurred;

"**Purchaser Shares**" means the common shares in the capital of the Purchaser and a "**Purchaser Share**" means a common share in the capital of the Purchaser;

"**Purchaser Share Consideration**" of a Company Shareholder means, for each Company Share, a number of Purchaser Shares equal to the quotient obtained when (x) the total number of Purchaser Shares that such Company Shareholder is entitled to receive pursuant to Section 4.1 and Section 4.2 of the Plan of Arrangement, is divided by (y) the total number of Company Shares held by such Company Shareholder;

"**Purchaser Subco**" means (i) a direct or indirect wholly-owned corporate Subsidiary of the Purchaser that is a creditworthy entity and the shares of which do not constitute "taxable Canadian property" (as defined in the Tax Act), or (ii) the Purchaser, as designated by the Purchaser in a written notice to be sent by the Purchaser to the Company on or before the date that is four (4) Business Days prior to the Effective Date (and failing such designation, Purchaser Subco shall be the Purchaser);

"**Purchaser Subco Share**" means a share in the capital of Purchaser Subco which ranks *pari passu* with the common shares in the capital of Purchaser Subco;

"**Purchaser Subco Share Consideration**" of a Company Shareholder means, for each Company Share, a number of Purchaser Subco Shares equal to the quotient obtained when (x) the Total Number of Purchaser Subco Shares of such Company Shareholder is divided by (y) the total number of Company Shares held by such Company Shareholder;

"**Radiocommunication Act**" means the *Radiocommunication Act* (Canada);

"**Record Date**" means May 20, 2016;

"**Registered Shareholder**" means the Person whose name appears on the register of shares as the owner of the Company Shares;

"**Registered Plan**" means a trust governed by a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan, registered disability savings plan, registered education savings plan or a tax-free savings account, all as defined in the Tax Act;

"**Regulation S**" means Regulation S under the U.S. Securities Act, as it may be amended or re-enacted from time to time;

"**Regulatory Approvals**" means any consent, waiver, permit, exemption, review, order, decision or approval of, or any registration and filing with, any Governmental or Arbitral Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental or Arbitral Entity, in each case in connection with the Arrangement, and includes the Stock Exchange Approval(s), the Competition Act Clearance, the CRTC Approval and the ISED Approval;

"**Reorganization Approvals**" means the CRTC Reorganization Approval and the ISED Reorganization Approval;

"**Representatives**" has the meaning ascribed thereto under "Summary of Arrangement Agreement — Additional Covenants Regarding Non-Solicitation";

"**Required Regulatory Approvals**" means the Competition Act Clearance, the CRTC Approval and the ISED Approval;

"**Required Shareholder Approval**" has the meaning ascribed thereto under "The Arrangement — Required Shareholder Approval";

"**Resident Dissenting Holder**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Dissenting Holders";

"**Resident Holder**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada";

"**Reverse Termination Fee**" has the meaning ascribed thereto under "Summary of Arrangement Agreement — Termination Fees";

"**Reverse Termination Fee Event**" has the meaning ascribed thereto under "Summary of Arrangement Agreement — Termination Fees";

"**Revised BCE Proposal**" has the meaning ascribed thereto under "The Arrangement — Background to Arrangement – BCE Proposal";

"**Rogers**" means Rogers Communications Inc.;

"**RRIF**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Eligibility for Investment";

"**RRSP**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Eligibility for Investment";

"RSU Plan" means the Company's Restricted Share Unit Plan adopted as of December 18, 2007, as amended;

"**RSUs**" means the restricted share units issued or outstanding under the RSU Plan (including, for greater certainty, units issued or paid as dividend equivalents);

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities Authority**" means The Manitoba Securities Commission and any other applicable securities commissions or securities regulatory authority of a province or territory of Canada and, in the case of the Purchaser, also includes the United States Securities and Exchange Commission;

"**Securities Laws**" means *The Securities Act* (Manitoba) and any other applicable Canadian provincial and territorial securities Laws, rules, regulations and published policies thereunder and, in the case of the Purchaser, also includes United States federal and state securities Laws;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Share Consideration**" means 0.6756 of a BCE Common Share for each Company Share;

"**Stikeman**" means Stikeman Elliott LLP;

"**Stock Exchange Approvals**" means the conditional approval of the TSX and the approval of the NYSE subject to the notice of issuance to list the BCE Common Shares to be issued pursuant to the Arrangement, subject only to the Purchaser providing each of the TSX and NYSE such required documentation as is customary in the circumstances;

"**Stock Option Plan**" means the Company's Amended and Restated Stock Option Plan adopted as of June 9, 2011, as amended;

"**Subsidiary**" has the meaning ascribed thereto in Section 1.1 of National Instrument 45-106 - *Prospectus Exemptions*;

"**Superior Proposal**" means any *bona fide* written Acquisition Proposal to acquire, directly or indirectly, not less than all of the outstanding Company Shares or all or substantially all of the assets of the Company on a consolidated basis that did not result from a breach of Article 5 of the Arrangement Agreement and: (i) that is reasonably capable of being completed, without undue delay, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal; (ii) that is not subject to a financing condition and in respect of which it has been demonstrated to the satisfaction of the Board after receipt of advice from its financial advisors and outside legal counsel, that adequate arrangements have been made in respect of any financing required to complete such

Acquisition Proposal; (iii) that is not subject to a due diligence condition; and (iv) in respect of which the Board determines, in its good faith judgment, after receiving the advice of its outside legal counsel and its financial advisors, that it would, if consummated in accordance with its terms (but without assuming away the risk of non-completion), result in a transaction which is more favourable, from a financial point of view, to Company Shareholders than the Arrangement;

"**Superior Proposal Notice**" has the meaning ascribed thereto under "Summary of Arrangement Agreement — Additional Covenants Regarding Non-Solicitation";

"**Support and Voting Agreements**" has the meaning ascribed thereto under "The Arrangement —Support and Voting Agreements";

"**Tax Act**" means the *Income Tax Act* (Canada);

"**Tax Instruction Letter**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Disposition of Company Shares Pursuant to the Arrangement";

"**taxable capital gain**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Disposition of Company Shares Pursuant to the Arrangement— Taxation of Capital Gains or Capital Losses";

"**Taxes**" means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental or Arbitral Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental or Arbitral Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party;

"**Tax Election**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Disposition of Company Shares Pursuant to the Agreement";

"**Tax Proposal**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations";

"**Tax Returns**" means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and statements (including estimated tax returns and reports, withholding tax returns and reports, and information returns and reports) filed or required to be filed in respect of Taxes;

"**TD Securities**" means TD Securities Inc.;

"**TELUS**" means TELUS Corporation;

"**Terminating Party**" has the meaning ascribed thereto under "Summary of Arrangement Agreement — Termination";

"**Termination Notice**" has the meaning ascribed thereto under "Summary of Arrangement Agreement — Termination";

"**TFSA**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Eligibility for Investment";

"**Total Number of Purchaser Subco Shares**" of a Company Shareholder means the product of (x) ●[1] and (y) the total number of Purchaser Shares that the Company Shareholder is entitled to receive pursuant to Section 4.1 and Section 4.2 of the Plan of Arrangement, which product shall be rounded up or down, as applicable, to the nearest whole number of Purchaser Subco Shares;

"**Transfer Agent**" means Computershare Investor Services Inc.;

"**TSX**" means Toronto Stock Exchange;

"**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**U.S. Exchange Act**" has the meaning ascribed thereto under "Notice to Company Shareholders in the United States";

"**U.S. Securities Act**" has the meaning ascribed thereto under "Notice to Company Shareholders in the United States";

"**U.S. Shareholders**" has the meaning ascribed thereto under "Securities Laws Matters — United States Securities Laws Matters";

"**U.S. Treaty**" means the Canada-United States Tax Convention (1980), as amended; and

"**wilful breach**" means a material breach of the Arrangement Agreement that is a consequence of any act undertaken by the breaching Party with the actual knowledge that the taking of such act would, or would be reasonably expected to, cause a material breach of the Arrangement Agreement.

[1] To be a number which will result in Purchaser Subco Shares issued having a substantially equal value to the Purchaser Shares to which Company Shareholders are entitled.

CONSENT OF LEGAL ADVISORS

Consent of Stikeman Elliott LLP

To: The Board of Directors of Manitoba Telecom Services Inc.

We hereby consent to the references to our name and opinion contained under "Certain Canadian Federal Income Tax Considerations" and to our name under the headings "The Arrangement - Background to the Arrangement" and "Legal Matters" in the Notice of Special Meeting of Shareholders and Management Information Circular of Manitoba Telecom Services Inc. dated May 26, 2016, with respect to a plan of arrangement.

Toronto, Ontario

May 26, 2016

(signed) STIKEMAN ELLIOTT LLP

CONSENT OF BARCLAYS CAPITAL CANADA INC.

To: The Board of Directors of Manitoba Telecom Services Inc.

We hereby consent to the references to our firm name and our fairness opinion contained under the headings "The Arrangement - Background to the Arrangement" and "The Arrangement — Fairness Opinions" and to the inclusion of the text of our fairness opinion in Appendix "C" of the Notice of Special Meeting of Shareholders and Management Information Circular of Manitoba Telecom Services Inc. dated May 26, 2016, with respect to a plan of arrangement. Our fairness opinion was given as at May 1, 2016 and remains subject to the assumptions, qualifications and limitations contained therein. In providing such consent, it is understood that no person other than the board of directors of Manitoba Telecom Services Inc. shall be entitled to rely upon our fairness opinion.

Toronto, Ontario

May 26, 2016

(signed) BARCLAYS CAPITAL CANADA INC.

CONSENT OF CIBC WORLD MARKETS INC.

To: The Board of Directors of Manitoba Telecom Services Inc.

We hereby consent to the references to our firm name and our fairness opinion contained under the headings "The Arrangement - Background to the Arrangement" and "The Arrangement — Fairness Opinions" and to the inclusion of the text of our fairness opinion in Appendix "D" of the Notice of Special Meeting of Shareholders and Management Information Circular of Manitoba Telecom Services Inc. dated May 26, 2016, with respect to a plan of arrangement. Our fairness opinion was given as at May 1, 2016 and remains subject to the assumptions, qualifications and limitations contained therein. In providing such consent, it is understood that no person other than the board of directors of Manitoba Telecom Services Inc. shall be entitled to rely upon our fairness opinion.

Toronto, Ontario

May 26, 2016

(signed) CIBC WORLD MARKETS INC.

CONSENT OF TD SECURITIES INC.

To: The Board of Directors of Manitoba Telecom Services Inc.

We hereby consent to the references to our firm name and our fairness opinion contained under the headings "The Arrangement - Background to the Arrangement" and "The Arrangement — Fairness Opinions" and to the inclusion of the text of our fairness opinion in Appendix "E" of the Notice of Special Meeting of Shareholders and Management Information Circular of Manitoba Telecom Services Inc. dated May 26, 2016, with respect to a plan of arrangement. Our fairness opinion was given as at May 1, 2016 and remains subject to the assumptions, qualifications and limitations contained therein. In providing such consent, it is understood that no person other than the board of directors of Manitoba Telecom Services Inc. shall be entitled to rely upon our fairness opinion.

Toronto, Ontario

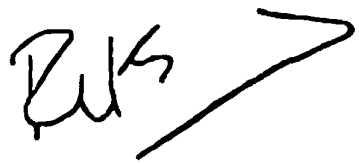
May 26, 2016

(signed) TD SECURITIES INC.

APPROVAL OF DIRECTORS AND CERTIFICATE

The Board of Directors of Manitoba Telecom Services Inc. approved the contents of this Notice Special Meeting of Shareholders and Management Information Circular dated May 26, 2016, and authorized it to be sent to each shareholder of Manitoba Telecom Services Inc. who is eligible to receive notice of and vote his or her shares at our special shareholder meeting, and to each director and to the auditors of Manitoba Telecom Services Inc.

DATED at Winnipeg (Manitoba), Canada as of May 26, 2016.



Paul Beauregard

Chief Corporate and Strategy Officer & Corporate Secretary

APPENDIX "A" - ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under section 185 of *The Corporations Act* (Manitoba) involving Manitoba Telecom Services Inc. (the "**Company**"), as more particularly described and set forth in the management proxy circular (the "**Circular**") of the Company dated May 26, 2016 accompanying the notice of this meeting (as the Arrangement may be amended, modified or supplemented in accordance with the arrangement agreement) made as of May 1, 2016 between the Company and BCE Inc. (the "**Arrangement Agreement**"), is hereby authorized, approved and adopted.

2. The plan of arrangement of the Company (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement (the "**Plan of Arrangement**")), the full text of which is set out in Appendix "B" to the Circular, is hereby authorized, approved and adopted.

3. The (i) Arrangement Agreement and all the transactions contemplated therein, (ii) actions of the directors of the Company in approving the Arrangement Agreement, and (iii) actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved.

4. The Company be and is hereby authorized to apply for a final order from the Court of Queen's Bench of Manitoba to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented and as described in the Circular).

5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of the Company or that the Arrangement has been approved by the Court of Queen's Bench of Manitoba, the directors of the Company are hereby authorized and empowered to, without notice to or approval of the shareholders of the Company, (i) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement and the Plan of Arrangement and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.

6. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver for filing with the Director under *The Corporations Act* (Manitoba), Articles of Arrangement and such other documents as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such Articles of Arrangement and any such other documents.

7. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

APPENDIX "B" - PLAN OF ARRANGEMENT
UNDER SECTION 185 OF *THE CORPORATIONS ACT* (MANITOBA)

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

"**Affected Securities**" means, collectively, the Company Shares, Company Options, DCUs, PSUs and RSUs.

"**Affected Securityholders**" means, collectively, the Company Shareholders, the holders of Company Options, the holders of DCUs, the holders of PSUs and the holders of RSUs.

"**Arrangement**" means an arrangement under Section 185 of the Corporations Act on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations to this Plan of Arrangement made in accordance with the terms of the Arrangement Agreement and this Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement made as of May 1, 2016 among the Company and the Purchaser (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

"**Arrangement Resolution**" means the special resolution approving this Plan of Arrangement to be considered at the Company Meeting by the Company Shareholders.

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement required by the Corporations Act to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Winnipeg, Manitoba or Toronto, Ontario.

"**Cash Amount**" of a Company Shareholder means, for each Company Share, an amount of cash equal to the quotient obtained when (x) the total amount of cash such Company Shareholder is entitled to receive pursuant to Section 4.1 and Section 4.2 is divided by (y) the total number of Company Shares held by such Company Shareholder.

"**Cash Consideration**" means $40.00 per Company Share.

"**Certificate of Amendment**" means the certificate of amendment to be issued by the Director pursuant to subsection 185(13) of the Corporations Act in respect of the Articles of Arrangement.

"**Company**" means Manitoba Telecom Services Inc.

"**Company Articles**" means the articles of amalgamation of the Company dated August 3, 2004.

"**Company Circular**" means the notice of the Company Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such

management information circular, to be sent to Company Shareholders in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of the Arrangement Agreement.

"**Company Disclosure Letter**" means the disclosure letter dated the date of the Arrangement Agreement and all schedules, exhibits and appendices thereto, delivered by the Company to the Purchaser with the Arrangement Agreement.

"**Company Meeting**" means the special meeting of Company Shareholders, including any adjournment or postponement thereof in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Company Circular and agreed to in writing by the Purchaser.

"**Company Options**" means the outstanding options to purchase Company Shares issued pursuant to the Stock Option Plan.

"**Company Share**" means a common share in the capital of the Company.

"**Company Shareholders**" means the registered and/or beneficial holders of the Company Shares, as the context requires, and includes following the step in Section 3.1(c) of this Plan of Arrangement the registered and/or beneficial holders of Purchaser Subco Shares who receive such Purchaser Subco Shares in exchange for their Company Shares.

"**Corporations Act**" means *The Corporations Act* (Manitoba).

"**Court**" means the Court of Queen's Bench of Manitoba, or other court as applicable.

"**DCA Plan**" means the Company's Directors' Share Appreciation Plan adopted as of September 24, 1999, as amended.

"**DCUs**" means the deferred compensation units issued or outstanding under the DCA Plan (including, for greater certainty, units issued or paid as dividend equivalents).

"**Depositary**" means such Person as the Company may appoint to act as depositary in relation to the Arrangement, with the approval of the Purchaser, acting reasonably.

"**Director**" means the Director appointed pursuant to Section 253 of the Corporations Act.

"**Dissenting Holder**" means a registered Company Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Company Shares in respect of which Dissent Rights are validly exercised by such registered Company Shareholder.

"**Dissent Rights**" has the meaning specified in Section 5.1(a).

"**Effective Date**" means the date shown on the Certificate of Amendment giving effect to the Arrangement.

"**Effective Time**" means 12:01 a.m. (Winnipeg time) on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

"**Election Date**" has the meaning specified in Section 4.1(b).

"**Eligible Holder**" means a beneficial holder of Company Shares that is: (i) a resident of Canada for the purposes of the Tax Act and not exempt from tax under Part I of the Tax Act; (ii) a partnership, any member of which is a resident of Canada for the purposes of the Tax Act (other than a partnership all members of which are residents of Canada that are exempt from tax under Part I of the Tax Act); or (iii) a non-resident of Canada, or a partnership with

one or more non-resident members, whose Company Shares are "taxable Canadian property" for purposes of the Tax Act.

"**Final Order**" means the order of the Court approving the Arrangement, as such order may be amended by the Court (with the consent of each of the Parties, acting reasonably) at any time prior to the Effective Date or as such order may be affirmed or amended on appeal (provided that any such amendment is satisfactory to each of the Parties, acting reasonably).

"**Governmental or Arbitral Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau, minister, ministry, governor in council, cabinet, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, (iv) any stock exchange or (v) any arbitration panel or arbitrator deciding or resolving contractual disputes or interpreting any provisions of a Contract.

"**Interim Order**" means the interim order of the Court providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

"**Law**" means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, Award, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated, rendered, issued, ordered or applied by a Governmental or Arbitral Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental or Arbitral Entity, as amended unless expressly specified otherwise.

"**Letter of Transmittal and Election Form**" means the letter of transmittal and election form to be sent by the Company to Company Shareholders in connection with the Arrangement.

"**Lien**" means any mortgage, charge, pledge, encumbrance, hypothec, security interest, prior claim or lien (statutory or otherwise), in each case, whether contingent or absolute.

"**Maximum Cash Consideration**" means an amount in cash equal to the product obtained by multiplying (i) the product of 45% and $40.00, by (ii) the aggregate number of issued and outstanding Company Shares at the Effective Time.

"**Maximum Share Consideration**" means a number of Purchaser Shares equal to the product obtained by multiplying (i) the product of 55% and 0.6756 Purchaser Shares, by (ii) the aggregate number of issued and outstanding Company Shares at the Effective Time.

"**Parties**" means, collectively, the Company and the Purchaser and "**Party**" means either of them.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

"**PSU Plan**" means the Company's Performance Share Unit Plan adopted as of December 2, 2004, as amended.

"**PSUs**" means the performance share units issued or outstanding under the PSU Plan (including, for greater certainty, units issued or paid as dividend equivalents).

"**Purchaser**" means BCE Inc.

"**Purchaser Share**" means a common share in the capital of the Purchaser.

"**Purchaser Share Consideration**" of a Company Shareholder means, for each Company Share, a number of Purchaser Shares equal to the quotient obtained when (x) the total number of Purchaser Shares that such Company Shareholder is entitled to receive pursuant to Section 4.1 and Section 4.2, is divided by (y) the total number of Company Shares held by such Company Shareholder.

"**Purchaser Subco**" means (i) a direct or indirect wholly-owned corporate Subsidiary of the Purchaser that is a creditworthy entity and the shares of which do not constitute "taxable Canadian property" (as defined in the Tax Act), or (ii) the Purchaser, as designated by the Purchaser in a written notice to be sent by the Purchaser to the Company on or before the date that is four (4) Business Days prior to the Effective Date (and failing such designation, Purchaser Subco shall be the Purchaser).

"**Purchaser Subco Share**" means a share in the capital of Purchaser Subco which ranks *pari passu* with the common shares in the capital of Purchaser Subco**.**

"**Purchaser Subco Share Consideration**" of a Company Shareholder means, for each Company Share, a number of Purchaser Subco Shares equal to the quotient obtained when (x) the Total Number of Purchaser Subco Shares of such Company Shareholder is divided by (y) the total number of Company Shares held by such Company Shareholder.

"**Registered Plans**" means, collectively, a trust governed by registered retirement savings plan, registered retirement income fund, deferred profit sharing plan, registered disability savings plan, registered education savings plan or a tax-free savings account, all as defined in the Tax Act.

"**RSU Plan**" means the Company's Restricted Share Unit Plan adopted as of December 18, 2007, as amended.

"**RSUs**" means the restricted share units issued or outstanding under the RSU Plan (including, for greater certainty, units issued or paid as dividend equivalents).

"**Section 85 Election**" has the meaning specified in Section 4.5

"**Share Consideration**" means 0.6756 of a Purchaser Share for each Company Share.

"**Stock Option Plan**" means the Company's Amended and Restated Stock Option Plan adopted as of June 9, 2011, as amended.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Total Number of Purchaser Subco Shares**" of a Company Shareholder means the product of (x) ●[2] and (y) the total number of Purchaser Shares that the Company Shareholder is entitled to receive pursuant to Section 4.1 and Section 4.2, which product shall be rounded up or down, as applicable, to the nearest whole number of Purchaser Subco Shares.

Section 1.2 Currency

All references to dollars, or to $, are expressed in Canadian currency except as otherwise indicated.

Section 1.3 Gender and Number

Any reference to gender includes all genders. Words importing the singular number only shall include the plural and vice versa.

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[2] To be a number which will result in Purchaser Subco Shares issued having a substantially equal value to the Purchaser Shares to which Company Shareholders are entitled.

Section 1.4 Phrasing

The words (i) "including", "includes" and "include" mean "including (or includes or include) without limitation", (ii) "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of," and (iii) "Article" and "Section" followed by a number mean and refer to the specified Article or Section of this Plan of Arrangement.

Section 1.5 References to Persons

Any reference to a Person includes its heirs, administrators, executors, legal personal, representatives, successors and permitted assigns.

Section 1.6 Statutes

Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

Section 1.7 Non-Business Days

A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day.

Section 1.8 Time References

References to time are to local time, Winnipeg, Manitoba, unless otherwise specified.

Section 1.9 Time

Time shall be of the essence in this Plan of Arrangement.

ARTICLE 2
BINDING EFFECT

Section 2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

Section 2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Amendment, will become effective, and be binding on the Purchaser, Purchaser Subco, the Company, all holders and beneficial owners of Purchaser Subco Shares, Company Shares, Company Options, DCUs, PSUs and RSUs, including Dissenting Holders, the registrar and transfer agent of the Company, the Depositary and all other Persons, in each case, at and after, the Effective Time without any further act or formality required on the part of any Person.

ARTICLE 3
ARRANGEMENT

Section 3.1 Arrangement

Pursuant to the Arrangement, the following transactions shall occur and shall be deemed to occur without any further authorization, act or formality, on the Effective Date, at the following times and in the following order:

(a) first, at the Effective Time, the Company Articles shall be amended to delete Section 2 (Individual Ownership) of Schedule B in its entirety and replace it with the phrase "Intentionally Deleted";

(b) second, and five minutes after the Effective Time, the following transactions shall occur simultaneously:

(i) each Company Option outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the Stock Option Plan, shall be deemed to be unconditionally vested and exercisable, and such Company Option shall, without any further action by or on behalf of a holder of Company Options, be deemed to be assigned and transferred by such holder to the Company in exchange for a cash payment from the Company equal to the amount (if any) by which the Cash Consideration exceeds the exercise price of such Company Option, and each such Company Option shall immediately be cancelled and, for greater certainty, where such amount is zero or negative, such Company Option shall be cancelled without any consideration, and none of the Company, the Purchaser or Purchaser Subco shall be obligated to pay the holder of such Company Option any amount in respect of such Company Option;

(ii) each DCU outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the DCA Plan shall, without any further action by or on behalf of a holder of DCUs, be deemed to be assigned and transferred by such holder to the Company in exchange for a cash payment from the Company equal to the amount of the Cash Consideration, and each such DCU shall immediately be cancelled;

(iii) each PSU outstanding immediately prior to the Effective Time (whether vested or unvested), that is held by a holder of PSUs who will be paid out in accordance with this Plan of Arrangement as determined in accordance with the Arrangement Agreement, shall, notwithstanding the terms of the PSU Plan, without any further action by or on behalf of such holder of PSUs, be deemed to be assigned and transferred by such holder to the Company in exchange for a cash payment from the Company equal to the amount of the Cash Consideration multiplied by the performance factor applicable to such PSU as set out in Schedule A of the Company Disclosure Letter, and each such PSU shall immediately be cancelled; and

(iv) each RSU outstanding immediately prior to the Effective Time (whether vested or unvested), that is held by a holder of RSUs who will be paid out in accordance with this Plan of Arrangement as determined in accordance with the Arrangement Agreement, shall, notwithstanding the terms of the RSU Plan, without any further action by or on behalf of such holder of RSUs, be deemed to be assigned and transferred by such holder to the Company in exchange for a cash payment from the Company equal to the amount of the Cash Consideration, and each such RSU shall immediately be cancelled;

(c) third, and ten minutes after the Effective Time, the following transactions shall simultaneously occur:

(i) subject to Section 4.1 and Section 4.2, each Company Share held by a Company Shareholder (other than a Dissenting Holder or a Registered Plan) shall be transferred (free and clear of all Liens) to Purchaser Subco in consideration for such Company Shareholder's Cash Amount and Purchaser Subco Share Consideration; and

(ii) subject to Section 4.1 and Section 4.2, each Company Share held by a Company Shareholder (other than a Dissenting Holder) that is a Registered Plan shall be transferred (free and clear of all Liens) to Purchaser Subco in consideration for such Company Shareholder's Cash Amount and Purchaser Share Consideration;

(d) fourth, and fifteen minutes after the Effective Time, all Company Shares held by Dissenting Holders shall be deemed to have been transferred (free and clear of all Liens) to Purchaser Subco in consideration for a debt claim against Purchaser Subco for the amount determined under Section 5.1, and

(i) such Dissenting Holders shall cease to be the holders of such Company Shares and to have any rights as Company Shareholders other than the right to be paid the fair value for such Company Shares as set out in Section 5.1;

(ii) the name of each such Dissenting Holder shall be removed as Company Shareholder, as applicable, from the registers of Company Shareholders, as applicable, maintained by or on behalf of Company in respect of such Company Shares; and

(iii) Purchaser Subco shall be deemed to be the transferee of such Company Shares (free and clear of any Liens) and shall be entered in the registers of Company Shareholders maintained by or on behalf of Company; and

(e) fifth, and twenty minutes after the Effective Time, the Purchaser Subco Shares issued pursuant to Section 3.1(c)(i) shall be transferred by the holder thereof (free and clear of all Liens) to the Purchaser in consideration for the number of Purchaser Shares that such Company Shareholder is entitled to receive pursuant to Section 4.1 and Section 4.2.

Section 3.2 Adjustment to Consideration

In the event that, after the date of the Arrangement Agreement and prior to the Closing, the Purchaser changes the number of Purchaser Shares issued and outstanding as a result of a reclassification, stock split (including a reverse stock split), stock dividend or stock distribution, recapitalization, subdivision, or other similar transaction, the Share Consideration shall be equitably adjusted to eliminate the effects of such event on the Share Consideration.

Section 3.3 Purchaser Subco Designation

If the Purchaser designates (or is deemed to have designated) that it shall be Purchaser Subco in accordance with the designation provided for in the definition of Purchaser Subco in Section 1.1, then:

(a) the steps in Section 3.1(c) shall be deleted in their entirety and replaced with the following:

"third, and ten minutes after the Effective Time, subject to Section 4.1 and Section 4.2, each Company Share held by a Company Shareholder (other than a Dissenting Holder) shall be transferred (free and clear of all Liens) to Purchaser Subco in consideration for such Company Shareholder's Cash Amount and Purchaser Share Consideration;"

(b) the step in Section 3.1(e) shall be omitted in its entirety; and

(c) the Purchaser and the Company shall make such other changes to, or interpretations of, this Plan of Arrangement as shall be required to give effect to the foregoing.

ARTICLE 4
ARRANGEMENT MECHANICS

Section 4.1 Election

(a) With respect to the transfer or exchange, surrender and cancellation of securities effected pursuant to Section 3.1:

(i) each Company Shareholder may elect to receive in respect of its Company Shares exchanged, the Cash Consideration or the Share Consideration, subject to proration as set forth in Section 4.2 and rounding as set forth in Section 4.4;

(ii) such election, as provided for in Section 4.1(a)(i), shall be made by depositing with the Depositary, on or prior to the Election Date, a duly completed Letter of Transmittal and Election Form indicating such Company Shareholder's election, together with, as applicable, any certificates representing such Company Shares; and

(iii) any Company Shareholder who does not deposit with the Depositary a duly completed Letter of Transmittal and Election Form on or prior to the Election Date, or otherwise fails to comply with the requirements of this Section 4.1 and the Letter of Transmittal and Election Form (including Company Shareholders who duly exercise Dissent Rights but are ultimately not entitled, for any reason, to be paid fair value for Company Shares in respect of which they have exercised Dissent Rights), shall be deemed to have elected to receive, for each Company Share, the Cash Consideration for such Company Share.

(b) Letters of Transmittal and Election Forms must be received by the Depositary on or before the date that is three (3) Business Days prior to the Effective Date (the "**Election Date**"), unless otherwise agreed in writing by the Purchaser and Company. The Company shall provide at least four (4) Business Days notice of the Election Date to Company Shareholders by means of a news release disseminated over newswire services in Canada.

(c) Any Letter of Transmittal and Election Form, once deposited with the Depositary, shall be irrevocable and may not be withdrawn by a Company Shareholder.

Section 4.2 Proration

(a) The maximum amount of cash that may, in the aggregate, be paid to the Company Shareholders in consideration for their Company Shares shall not exceed the Maximum Cash Consideration and the maximum number of Purchaser Shares that may, in the aggregate, be issued to the Company Shareholders in consideration for their Company Shares shall not exceed the Maximum Share Consideration.

(b) In the event that the aggregate amount of cash that would, but for Section 4.2(a), be paid as Cash Consideration to the Company Shareholders in accordance with the elections or deemed elections of such Company Shareholders pursuant to Section 4.1(a) exceeds the Maximum Cash Consideration, then

(i) each Company Shareholder that elected or was deemed to have elected to receive the Share Consideration shall receive the Share Consideration in respect of each of their Company Shares; and

(ii) each Company Shareholder that elected or was deemed to have elected to receive the Cash Consideration will receive (A) an amount of cash equal to the product of (x) the Maximum Cash Consideration and (y) the quotient obtained by dividing (I) the number of Company Shares owned by such Company Shareholder by (II) the number of Company Shares in respect of which Company Shareholders elected to or were deemed to have elected to receive the Cash Consideration and (B) a number of Purchaser Shares equal to the product of (x) the quotient obtained by dividing (I) the number of Company Shares owned by such Company Shareholder by (II) the number of Company Shares in respect of which Company Shareholders elected or were deemed to have elected to receive the Cash Consideration by (y) the difference between the Maximum Share Consideration and the number of Purchaser Shares issuable to Company Shareholders that elected or were deemed to have elected to receive the Share Consideration.

(c) In the event that the aggregate number of Purchaser Shares that would, but for Section 4.2(a), be issued to the Company Shareholders in accordance with the elections of such Company Shareholders pursuant to Section 4.1(a) exceed the Maximum Share Consideration, then

(i) each Company Shareholder that elected or was deemed to have elected to receive the Cash Consideration shall receive the Cash Consideration in respect of each of their Company Shares; and

(ii) each Company Shareholder that elected or was deemed to have elected to receive the Share Consideration will receive (A) a number of Purchaser Shares equal to the product of (x) the Maximum Share Consideration and (y) the quotient obtained by dividing (I) the number of Company Shares owned by such Company Shareholder by (II) the number of Company Shares in respect of which Company Shareholders elected or were deemed to have elected to receive Share Consideration and (B) an amount of cash equal to the product of (x) the quotient obtained by dividing (I) the number of Company Shares owned by such Company Shareholder by (II) the number of Company Shares in respect of which Company Shareholders elected or were deemed to have elected to receive Share Consideration and (y) the difference between the Maximum Cash Consideration and the amount of cash payable to Company Shareholders that elected or were deemed to have elected to receive the Cash Consideration.

(d) Each Company Share held by a Company Shareholder (other than a Dissenting Holder) that is entitled to ultimately receive Purchaser Shares hereunder shall be deemed to be exchanged hereunder for:

(i) the Cash Amount; and

(ii) the Purchaser Subco Share Consideration or the Purchaser Share Consideration, as applicable.

Section 4.3 Transfer of Securities

(a) With respect to each holder of Company Options, DCUs, PSUs and RSUs outstanding immediately before the Effective Time that is subject to this Plan of Arrangement, as applicable, upon and at the time of the disposition of Company Options, DCUs, PSUs and RSUs effected pursuant to Section 3.1(b)(i) through Section 3.1(b)(iv) as applicable:

(i) such holder of Company Options, DCUs, PSUs and RSUs shall cease to be a holder of Company Options, DCUs, PSUs and RSUs, as applicable, and the name of such holder of Company Options, DCUs, PSUs and RSUs shall be removed from the register or account of holders of Company Options, DCUs, PSUs and RSUs, as applicable, maintained by or on behalf of Company;

(ii) all agreements relating to such Company Options, DCUs, PSUs and RSUs and the DCA Plan and the Stock Option Plan shall be terminated and shall be of no further force and effect; and

(iii) the Company shall pay to such holder of Company Options, DCUs, PSUs and RSUs, as applicable, the cash amount payable to such Company Options, DCUs, PSUs and RSUs pursuant to Section 3.1(b)(i) through Section 3.1(b)(iv).

In respect of any PSUs and RSUs that are assumed in accordance with the Arrangement Agreement, the holders thereof shall have no further rights against the Company.

(b) With respect to Company Shareholders (other than Dissenting Holders), immediately before the Effective Time, upon and at the time of the transfer of Company Shares effected pursuant to Section 3.1:

(i) such Company Shareholder shall cease to be a Company Shareholder, and the name of such Company Shareholder shall be removed from the register of Company Shareholders maintained by or on behalf of Company;

(ii) Purchaser Subco shall become the transferee (free and clear of all Liens) of such Company Shares transferred to Purchaser Subco and shall be added to the register of Company Shareholders maintained by or on behalf of Company;

(iii) (A) Purchaser Subco shall pay and deliver to such Company Shareholder the cash amount payable and deliverable to such Company Shareholder and/or (B) the Purchaser shall cause to be paid and delivered the Purchaser Shares payable and deliverable to such Company Shareholder, and the name of such Company Shareholder shall be added to the register of holders of Purchaser Shares maintained by or on behalf of the Purchaser, as the case may be; and

(iv) an amount equal to the total of all amounts each of which is the fair market value of the Company Share (or portion thereof) transferred to Purchaser Subco by a Company Shareholder in exchange for the issuance by Purchaser Subco of the Purchaser Subco Share Consideration or the Purchaser Share Consideration, as applicable, shall be added to the stated capital account maintained by Purchaser Subco for the class of shares of which the Purchaser Subco Shares or the Purchaser Shares, as applicable, form a part, and Purchaser Subco shall be deemed to have purchased each such Company Share (or portion thereof) for a purchase price equal to such fair market value.

Section 4.4 No Fractional Purchaser Shares and Rounding of Cash Consideration

(a) In no event shall a Company Shareholder be entitled to a fractional Purchaser Share. Where the aggregate number of Purchaser Shares to be issued to a Company Shareholder pursuant to Section 3.1(c) or Section 3.1(e), as applicable, and Section 4.3(b) would result in a fraction of a Purchaser Share being issuable, (i) the number of Purchaser Shares to be received by such Company Shareholder shall be rounded down to the nearest whole Purchaser Share, and (ii) such Company Shareholder shall receive a cash payment (rounded up to the nearest whole $0.01) equal to the product of (A) the Cash Consideration and (B) the quotient obtained by dividing (x) the remainder of the Purchaser Share by (y) 0.6756.

(b) If the aggregate cash amount which a Company Shareholder is entitled to receive pursuant to Section 3.1(c) and Section 4.3(b) would otherwise include a fraction of $0.01, then the aggregate cash amount to which such Company Shareholder shall be entitled to receive shall be rounded up to the nearest whole $0.01.

Section 4.5 Tax Elections

(a) If requested by an Eligible Holder, Purchaser Subco shall make a joint election with Eligible Holders who receive Purchaser Subco Shares or Purchaser Shares, as applicable, pursuant to the Arrangement in accordance with subsection 85(1) or 85(2) of the Tax Act (and any similar provision of any provincial legislation) provided that such election is in accordance with the provisions of the Tax Act (and applicable provincial legislation) (a "**Section 85 Election**") and complies with the procedures that will be set out in the tax election packages that will be available to Eligible Holders. The agreed amount under such joint election shall be determined by each Eligible Holder in such Eligible Holder's sole discretion within the limits set out in the Tax Act (and applicable provincial legislation). The obligation of Purchaser Subco in this regard is limited

to Eligible Holders that provide Purchaser with a validly completed tax election package within 90 days after the Effective Date, and neither the Purchaser nor Purchaser Subco will assume any responsibility for the proper completion of such election. Purchaser Subco will not have any obligation to make such an election in respect of any Company Shareholder other than an Eligible Holder.

(b) Upon receipt of a Letter of Transmittal and Election Form in which an Eligible Holder has indicated that such holder wishes to receive a tax election package, the Purchaser will promptly deliver a tax election package to such holder. The tax election package will provide general instructions on how to make the Section 85 Election with Purchaser Subco in order to obtain a full or partial tax-deferred rollover for Canadian income tax purposes (subject to the applicable provisions of the Tax Act and applicable provincial legislation) in respect of the sale of the Eligible Holder's Company Shares to Purchaser Subco.

ARTICLE 5
RIGHTS OF DISSENT

Section 5.1 Rights of Dissent

(a) Registered Shareholders may exercise dissent rights with respect to the Company Shares held by such holders ("**Dissent Rights**") in connection with the Arrangement pursuant to and in the manner set forth in Section 184 of the Corporations Act, as modified by the Interim Order and this Section 5.1; provided that, notwithstanding subsection 184(5) of the Corporations Act, the written objection to the Arrangement Resolution referred to in subsection 184(5) of the Corporations Act must be received by the Company not later than 5:00 p.m. (Winnipeg time) two (2) Business Days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time).

(b) Dissenting Holders who duly exercise their Dissent Rights shall be deemed to have transferred the Company Shares held by them and in respect of which Dissent Rights have been validly exercised to Purchaser Subco free and clear of all Liens, as provided in Section 3.1(d) and if they:

(i) ultimately are entitled to be paid fair value for such Company Shares: (i) shall be deemed not to have participated in the transactions in Article 3 (other than Section 3.1(d)); (ii) will be entitled to be paid the fair value of such Company Shares by Purchaser Subco, which fair value shall be determined as of the close of business on the day before the Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Company Shares; or

(ii) ultimately are not entitled, for any reason, to be paid fair value for such Company Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Company Shares and shall be deemed to have elected to receive for such Company Shares the consideration set forth in Section 4.1(a)(iii).

Section 5.2 Recognition of Dissenting Holders

(a) In no circumstances shall the Purchaser, Purchaser Subco, the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Company Shares in respect of which such rights are sought to be exercised.

(b) For greater certainty, in no case shall the Purchaser, Purchaser Subco, the Company or any other Person be required to recognize Dissenting Holders as holders of Company Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 3.1(d), and the names of such Dissenting Holders shall be removed from the registers of

holders of the Company Shares in respect of which Dissent Rights have been validly exercised at the same time as the event described in Section 3.1(d) occurs. In addition to any other restrictions under Section 184 of the Corporations Act, none of the following shall be entitled to exercise Dissent Rights: (i) holders of Company Options or holders of DCUs, PSUs or RSUs; and (ii) Company Shareholders who vote or have instructed a proxyholder to vote such Company Shares in favour of the Arrangement Resolution (but only in respect of such Company Shares).

ARTICLE 6
PAYMENT AND CERTIFICATES

Section 6.1 Payment and Delivery of Purchaser Shares

(a) At or before the Effective Time, (i) Purchaser Subco or the Purchaser shall deposit or cause to be deposited with the Depositary, for the benefit of the Company Shareholders entitled to receive cash pursuant to Section 4.2 and Section 4.3(b), the Maximum Cash Consideration, (ii) the Purchaser shall deposit or cause to be deposited with the Depositary, for the benefit of and to be held on behalf of the Company Shareholders entitled to receive Purchaser Shares pursuant to Section 4.2 and Section 4.3(b), certificates representing, or other evidence regarding the issuance of, the Maximum Share Consideration, and (iii) the Company shall deposit or cause to be deposited with the Depositary, for the benefit of and to be held on behalf of the holders of Company Options, DCUs, PSUs and RSUs the aggregate cash amount required for the payments in respect of the Company Options, DCUs, PSUs and RSUs pursuant to Section 4.3(a).

(b) Upon the surrender to the Depositary of a certificate which immediately prior to the Effective Time represented outstanding Company Shares, together with a duly completed and executed Letter of Transmittal and Election Form (it being understood that Purchaser Subco Shares will be evidenced by the certificate evidencing Company Shares as no certificates for Purchaser Subco Shares will be issued in accordance with Section 3.1(c)) and such additional documents and instruments as the Depositary may reasonably require, the Depositary shall deliver to the applicable Company Shareholder, as soon as practicable and in accordance with Section 4.1, Section 4.2 and Section 4.3(b) (i) a cheque (or other form of immediately available funds) representing the cash amount that such Company Shareholder is entitled to receive under the Arrangement, or (ii) the certificate(s) representing, or other evidence of, Purchaser Shares that such Company Shareholder is entitled to receive under the Arrangement, or (iii) the applicable combination thereof, less any amounts withheld pursuant to Section 6.3.

(c) As soon as practicable after the Effective Time, the Depositary shall deliver to each holder of Company Options, DCUs, PSUs and RSUs (as reflected on the register maintained by or on behalf of the Company in respect of the Company Options, DCUs, PSUs and RSUs) that is subject to this Plan of Arrangement, as applicable, a cheque (or other form of immediately available funds) representing the cash amount that such holder is entitled to receive under the Arrangement, as applicable, less any amounts withheld pursuant to Section 6.3.

(d) Until surrendered as contemplated by this Section 6.1, each certificate that immediately prior to the Effective Time represented outstanding Company Shares shall be deemed, immediately after the completion of the transactions contemplated in Section 4.3(b), to represent only the right to receive upon such surrender Cash Consideration or Share Consideration, or any combination thereof, in lieu of such certificate as contemplated in Section 4.3(b). Any such certificate formerly representing outstanding Company Shares not duly surrendered on or before the sixth (6th) anniversary of the Effective Date shall cease to represent a claim by or interest of any former Company Shareholder of any kind or nature against or in the Purchaser, Purchaser Subco or the Company.

(e) Any payment made by way of cheque by the Depositary or by the Company, pursuant to the Arrangement that has not been deposited or has been returned to the Depositary or the Company or that otherwise remains unclaimed, in each case, on or before the sixth (6th) anniversary of the

Effective Time, and any right or claim to payment hereunder that remains outstanding on the sixth (6th) anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of any Affected Securityholder to receive the consideration for any Affected Securities pursuant to the Arrangement shall terminate and be deemed to be surrendered and forfeited to Purchaser Subco (or the Company, as applicable) for no consideration.

(f) No Affected Securityholder shall be entitled to receive any consideration with respect to Affected Securities other than the consideration to which such Affected Securityholder is entitled to receive in accordance with Section 3.1 and no such Affected Securityholder shall be entitled to receive any interest, dividends, premium or other payment in connection therewith, other than any declared but unpaid dividends with a record date prior to the Effective Date. No dividend or other distribution declared or made after the Effective Time with respect to Affected Securities or with a record date on or after the Effective Date shall be delivered to the holder of any unsurrendered certificate which, immediately prior to the Effective Date, represented outstanding Affected Securities.

(g) All dividends payable with respect to any Purchaser Shares allotted and issued pursuant to this Arrangement for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary in trust for the registered holder thereof. The Depositary shall pay and deliver to any such registered holder, as soon as reasonably practicable after application therefor is made by the registered holder to the Depositary in such form as the Depositary may reasonably require, such dividends to which such holder is entitled, net of applicable withholding and other taxes.

Section 6.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Shares that were transferred pursuant to this Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will pay and deliver, in exchange for such lost, stolen or destroyed certificate, the Cash Consideration or the Share Consideration which such holder is entitled to receive pursuant to Section 4.3(b) (subject to Section 4.2), net of amounts required to be withheld pursuant to Section 6.3. When authorizing such payment and delivery in exchange for any lost, stolen or destroyed certificate, the Person to whom the payment is made shall, as a condition precedent to the delivery thereof, give a bond satisfactory to the Company, the Purchaser, Purchaser Subco and the Depositary in such sum as the Purchaser may direct or otherwise indemnify the Purchaser and Purchaser Subco in a manner satisfactory to the Purchaser against any claim that may be made against the Purchaser or Purchaser Subco with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 6.3 Withholding Rights

The Company, the Purchaser, Purchaser Subco and the Depositary shall be entitled to deduct and withhold from any consideration otherwise payable to any Affected Securityholder under this Plan of Arrangement, such amounts as the Company, the Purchaser, Purchaser Subco or the Depositary is permitted or required to deduct and withhold with respect to such payment under the Tax Act or any provision of applicable Laws and shall remit such amounts to the appropriate Governmental Entity. To the extent that amounts are so deducted and withheld, such deducted and withheld amounts shall be treated for all purposes as having been paid to the Affected Securityholder in respect of which such deduction and withholding was made.

Each of the Purchaser, Purchaser Subco or the Depositary that makes a payment to any Company Shareholder under this Plan of Arrangement shall be authorized to sell or otherwise dispose of such portion of Purchaser Shares otherwise issuable to such Company Shareholder (if any) as is necessary to provide sufficient funds to enable it to comply with its deducting or withholding requirements and such party shall notify the applicable Company Shareholder and remit any unapplied balance of the net proceeds of such sale to such Company Shareholder.

Section 6.4 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

ARTICLE 7
AMENDMENTS

Section 7.1 Amendments to Plan of Arrangement

(a) The Company shall make any amendments to this Plan of Arrangement referred to in Section 2.7 of the Arrangement Agreement.

(b) In addition, and subject to the Purchaser's rights under section 2.7 of the Arrangement Agreement:

(i) The Company and the Purchaser may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must (i) be set out in writing, (ii) be approved by the Company and the Purchaser, each acting reasonably, (iii) be filed with the Court and, if made following the Company Meeting, approved by the Court, and (iv) be communicated to the Affected Securityholders if and as required by the Court.

(ii) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company or the Purchaser at any time prior to the Company Meeting (provided that the Company or the Purchaser, as applicable, shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(iii) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if (i) it is consented to in writing by each of the Company and the Purchaser (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the Company Shareholders voting in the manner directed by the Court.

(iv) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement.

ARTICLE 8
FURTHER ASSURANCES

Section 8.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

APPENDIX "C" - OPINION OF BARCLAYS CAPITAL CANADA INC.

333 Bay Street
Suite 4910, Box 9
Toronto, ON M5H 2R2
Canada

May 1, 2016

The Board of Directors of Manitoba Telecom Services Inc.
333 Main Street
Winnipeg, MB
R3C 3V6
Canada

To the Board of Directors:

Barclays Capital Canada Inc. ("Barclays" or "we"), understands that Manitoba Telecom Services Inc. ("MTS" or the "Company") intends to enter into an arrangement agreement (the "Arrangement Agreement") with BCE Inc. ("BCE") pursuant to which BCE will acquire all of the issued and outstanding common shares of the Company (the "Common Shares") at a price of $40.00 per Common Share (the "Proposed Transaction"). The Proposed Transaction will be effected by way of a plan of arrangement under Section 185 of *The Corporations Act* (Manitoba) (the "Plan of Arrangement").

We further understand that pursuant to the Arrangement Agreement and the Plan of Arrangement, BCE will acquire each of the Common Shares for consideration (the "Consideration"), at the election of MTS common shareholders (the "Shareholders"), comprising (a) $40.00 in cash, or (b) 0.6756 of a BCE common share, subject to proration and rounding such that the aggregate consideration will be 45% in cash and 55% in BCE common shares. The completion of the Proposed Transaction will be conditional upon various regulatory approvals and the approval by at least two-thirds of the votes cast by the Shareholders who are present in person or represented by proxy at the special meeting of Shareholders (the "Special Meeting"). The terms and conditions of the Proposed Transaction will be more fully described in a management information circular of the Company (the "Circular") that will be mailed to the Shareholders in connection with the Special Meeting.

The Company has retained Barclays to provide advice and assistance to the Company in evaluating strategic alternatives, including the Proposed Transaction, and to prepare and deliver to the Board of Directors of MTS (the "Board") an opinion as to the fairness, from a financial point of view, to the Shareholders of the Consideration to be received pursuant to the Proposed Transaction (the "Fairness Opinion").

ENGAGEMENT OF BARCLAYS

The Company initially contacted Barclays regarding a potential advisory assignment in January 2016, and Barclays was formally engaged pursuant to a written agreement (the "Engagement Agreement") dated April 27, 2016. The terms of the Engagement Agreement provide that Barclays is to be paid fees for its services as financial advisor, a portion of which is payable upon rendering this Fairness Opinion and a substantial portion of which is contingent on successful completion of the Proposed Transaction. In addition, Barclays is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Company in certain circumstances.

CREDENTIALS OF BARCLAYS

Barclays, together with its affiliates, is one of the largest global investment banking firms, with operations in all facets of corporate finance, mergers and acquisitions, research, sales and trading and financial advisory services to corporations, governments, institutions and individuals. Barclays has been involved in a significant number of transactions involving private and publicly traded companies, including telecommunications companies, and has extensive experience in preparing fairness opinions.

The Fairness Opinion expressed herein represents the opinion of Barclays and the form and content herein have been approved by a committee of senior officers of Barclays, each of whom is experienced in mergers and acquisitions, divestitures, valuations analyses, fairness opinions and fairness opinion-related matters.

SCOPE OF REVIEW

In preparation of the Fairness Opinion, Barclays reviewed, considered, relied upon or carried out, among other things, the following:

(i) a draft of the Arrangement Agreement dated May 1, 2016;

(ii) audited consolidated financial statements and other public information of MTS and BCE for the fiscal years 2011 – 2015;

(iii) management's discussion and analysis of the financial condition and results of MTS and BCE for the fiscal years 2011 – 2015;

(iv) annual reports of MTS and BCE for the fiscal years 2011 – 2015;

(v) annual information forms of MTS and BCE for the fiscal years 2011 – 2015;

(vi) notices of annual meetings and management information circulars for MTS and BCE for the fiscal years 2011 – 2015;

(vii) a draft quarterly report and interim unaudited consolidated financial statements of MTS for the quarter ended March 31, 2016;

(viii) quarterly report and interim unaudited consolidated financial statements of BCE for the quarter ended March 31, 2016;

(ix) investor presentations, equity research reports, credit rating reports and industry commentary deemed relevant for MTS, BCE and other public companies we considered relevant;

(x) files and information from MTS management and its other advisors, including the unaudited projected financial information of MTS for the years ending December 31, 2016 through December 31, 2020;

(xi) discussions with senior management of MTS regarding the preparation of the unaudited projected financial information of MTS, including its business, operations, assets, liabilities, financial condition and prospects;

(xii) a comparison of the relative financial performance and multiples of publicly-traded companies we considered relevant;

(xiii) the public information and comparison of selected financial metrics with respect to other transactions of a comparable nature we considered relevant;

(xiv) discussions with legal counsel to the Company regarding structural, legal and other aspects of the Proposed Transaction;

(xv) matters discussed in a due diligence session with the Chief Financial Officer of BCE; and

(xvi) such other information, analyses, investigations, and discussions as we considered

necessary or appropriate in the circumstances.

We also reviewed certain information prepared by the Company's consultants, including:

(i) KPMG tax analysis;

(ii) KPMG Quality of Earnings report; and

(iii) reports prepared by an international consultant of the Company.

To the best of its knowledge, Barclays has not been denied access by the Company or BCE to any information requested by Barclays.

ASSUMPTIONS AND LIMITATIONS

Barclays has, in accordance with the terms of the Engagement Agreement, relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions or representations obtained by it from publicly available sources or provided to it by MTS and BCE or their respective personnel, consultants, advisors or otherwise (collectively the "Information"). In particular, Barclays has assumed that any future-oriented financial information ("FOFI") provided by MTS and used by Barclays in its analyses has been reasonably prepared and reflects the best currently available estimates and judgments of the management of MTS. The Fairness Opinion is conditional upon such completeness, accuracy and fair presentation of the Information. Subject to the exercise of professional judgment, Barclays has not attempted to independently verify the completeness, accuracy or fair presentation of any of the Information.

The President & Chief Executive Officer and the Chief Financial Officer of MTS have represented to Barclays in a certificate dated May 1, 2016, among other things, that (i) the Information provided to Barclays orally by, or in the presence of, an officer or employee of the Company, the Company or its affiliates or its or their representatives for the purpose of preparing the Fairness Opinion was, at the date the information was provided to Barclays, and is as of the date hereof, complete, true and correct and did not and does not contain any untrue statement of a material fact in respect of the Company and its affiliates or the Proposed Transaction and did not and does not omit to state a material fact in relation to the Company and its affiliates or the Proposed Transaction necessary to make the Information not misleading in light of the circumstances under which the Information was presented, (ii) since the dates on which the Information was provided to Barclays, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company and its affiliates and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to render the Information untrue or misleading in any material respect in the circumstances in which it was presented or have a material effect on the Fairness Opinion, (iii) to their knowledge, there are no facts not contained in or referred to in the Information provided to Barclays by the Company or its affiliates which would reasonably be expected to affect the Fairness Opinion, in each case, including the assumptions used, the scope of the review undertaken or the conclusions reached, and (iv) all FOFI provided to Barclays has been prepared using assumptions which were reasonable on the date such FOFI was prepared, having regard to the Company's industry, business, financial condition, plans and prospects, and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such FOFI, as of the date of the preparation thereof, not misleading in light of the circumstances in which such FOFI was provided to Barclays.

In preparing the Fairness Opinion, Barclays has made several assumptions, including that the final version of the Arrangement Agreement and Plan of Arrangement will conform in all material respects to the drafts provided to Barclays, that all conditions precedent to the Proposed Transaction can be satisfied, that all approvals, authorizations, consents, permissions, exemptions or orders of relevant regulatory authorities required in respect of or in connection with the Proposed Transaction will be obtained, without adverse condition or qualification, that all steps or procedures being followed to implement the Proposed Transaction are valid and effective, that the Circular will be distributed to the Shareholders in accordance with applicable laws, and that the disclosure in the Circular will be accurate in all material respects and will comply, in all material respects, with the requirements of all applicable laws.

The Fairness Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial or otherwise, of MTS and BCE as they were reflected in the Information reviewed by Barclays. In its analyses and in preparing the Fairness Opinion, Barclays made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Barclays or any party involved in the Proposed Transaction. Although Barclays believes that the assumptions used in its analyses and in preparing the Fairness Opinion are accurate and appropriate in the circumstances, some or all of them may nevertheless prove to be incorrect.

Any changes in the Information may affect the Fairness Opinion and, although Barclays reserves the right to change, supplement or withdraw the Fairness Opinion in the event of any change in the Information, Barclays disclaims any undertaking or obligation to advise any person of any such change in the Information which may come or be brought to Barclays' attention after the date hereof, and/or to update the Fairness Opinion to reflect any such change. However, without limiting the foregoing, Barclays will be entitled, at any time prior to the completion of the Proposed Transaction, to change, supplement or withdraw the Fairness Opinion, if Barclays concludes that there has been a material change in the business or affairs of MTS and/or BCE, or a change in material fact, an omission to state a material fact, a material change in the factors upon which the Fairness Opinion is based, or if Barclays becomes aware of any information not previously known by Barclays, regardless of the source, which in its opinion would make the Fairness Opinion misleading in any material respect.

The Fairness Opinion has been prepared and provided solely for the use of the Board in its evaluation of the Proposed Transaction, and may not be used or relied upon by any other person without the express prior written consent of Barclays. Furthermore, the Fairness Opinion is not intended to be, and do not constitute, a recommendation to the Shareholders, with respect to the Proposed Transaction, including whether Shareholders should vote in favour of the Proposed Transaction or as an opinion concerning the trading price or value of any securities of MTS or BCE following the announcement or completion of the Proposed Transaction. Barclays is not an expert on, and did not render advice to the Board regarding legal, tax, accounting and regulatory matters.

Notwithstanding the above, Barclays consents to the inclusion of the Fairness Opinion in its entirety and a summary thereof in the Circular and to the filing thereof, as necessary, by the Company with the securities commissions or similar regulatory authorities in each province of Canada.

The preparation of a fairness opinion is a complex process and it is not amenable to partial analysis or summary description. Barclays believes that its analyses must be considered as a whole and that selecting portions of its analyses or the factors considered by it, without considering all facts and

analyses together, could create an incomplete view of the process and analyses underlying the Fairness Opinion.

All dollar amounts herein are expressed in Canadian dollars.

FAIRNESS ANALYSIS

Approach to Fairness

In considering the fairness, from a financial point of view, to the Shareholders of the Consideration to be received pursuant to the Proposed Transaction, Barclays reviewed, considered and replied upon or carried out, among other things, the following: (i) comparison of the Consideration pursuant to the Proposed Transaction to the results of a discounted cash flow analysis of the Company; (ii) a comparison of selected financial multiples, to the extent publicly available, of selected precedent transactions to the multiples implied by the Consideration pursuant to the Proposed Transaction; (iii) a comparison of the Consideration pursuant to the Proposed Transaction to the recent market trading prices of the Common Shares; and (iv) a comparison of the Consideration pursuant to the Proposed Transaction to the implied share price of MTS based on selected financial multiples of selected North American telecommunications companies whose securities are publicly traded plus a control premium, based on premiums paid to acquire Canadian companies historically, to reflect the "en bloc" value.

Conclusion

Based upon and subject to the foregoing, Barclays is of the opinion that, as of the date hereof, the Consideration to be received by the Shareholders pursuant to the Proposed Transaction is fair, from a financial point of view, to such Shareholders.

Very truly yours,

Barclays Capital Canada Inc.

Barclays Capital Canada Inc.

APPENDIX "D" – OPINION OF CIBC WORLD MARKETS INC.

CIBC World Markets Inc.
161 Bay Street, 6th Floor
Toronto ON M5J 2S8

Tel: 416-594-7000

May 1, 2016

The Board of Directors of Manitoba Telecom Services Inc.
333 Main Street
Winnipeg, Manitoba
R3C 3V6

To the Board of Directors:

CIBC World Markets Inc. ("CIBC", "we" or "us") understands that Manitoba Telecom Services Inc. ("MTS" or the "Company") is proposing to enter into an arrangement agreement (the "Arrangement Agreement") with BCE Inc. ("BCE" or the "Purchaser") providing for, among other things, the acquisition by the Purchaser of all of the outstanding common shares (the "Shares") of the Company (the "Proposed Transaction").

We understand that pursuant to the Arrangement Agreement:

a) the Purchaser will acquire each of the issued and outstanding Shares in consideration for $40.00 in cash per Share or 0.6756 of a common share of the Purchaser, or any combination thereof, subject to proration and rounding in accordance with the terms of the Arrangement Agreement (the "Consideration");

b) the Proposed Transaction will be effected by way of a plan of arrangement under Section 185 of The Corporations Act (Manitoba);

c) the completion of the Proposed Transaction will be conditional upon, among other things, approval by at least two-thirds of the votes cast by the shareholders (the "Shareholders") of the Company who are present in person or represented by proxy at the special meeting (the "Special Meeting") of Shareholders and the approval of the Court of Queen's Bench of Manitoba; and

d) the terms and conditions of the Proposed Transaction will be described in a management information circular of the Company and related documents (the "Circular") that will be mailed to the Shareholders in connection with the Special Meeting.

Engagement of CIBC

By letter agreement dated April 27, 2016 (the "Engagement Agreement"), the Company retained CIBC to act as financial advisor to the Company and its board of directors (the "Board of Directors") in connection with the Proposed Transaction and any similar alternative transactions. Pursuant to the Engagement Agreement, the Company has requested that we prepare and deliver to the Board of Directors our written opinion (the "Opinion") as to the fairness, from a financial point of view, of the Consideration to be received by Shareholders pursuant to the Arrangement Agreement.

CIBC will be paid a fee for rendering the Opinion, which fee shall be payable upon substantial completion or delivery of the Opinion, whether or not a Proposed Transaction is completed. CIBC will also be paid an additional fee that is contingent upon the completion of the Proposed Transaction or any similar alternative transactions. The Company has also agreed to reimburse CIBC for its reasonable out-of-pocket expenses and to indemnify CIBC in respect of certain liabilities that might arise out of our engagement.

Credentials of CIBC

CIBC is one of Canada's largest investment banking firms with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. The Opinion expressed herein is the opinion of CIBC and the form and content herein have been approved for release by a committee of its managing directors and internal counsel, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

Scope of Review

In connection with rendering our Opinion, we have reviewed and relied upon, among other things, the following:

i) the non-binding letter of intent ("LOI") dated April 21, 2016 submitted to MTS by BCE, including presentation materials that summarized and provided further detail on the key terms of the LOI;
ii) a draft dated April 30, 2016 of the Arrangement Agreement;
iii) the annual reports, including the comparative audited financial statements and management's discussion and analysis, of the Company and BCE for the fiscal years ended December 31, 2015, 2014 and 2013;
iv) the draft internal management report, including the comparative unaudited financial statements, of the Company for the three months ended March 31, 2016;
v) the interim report, including the comparative unaudited financial statements and management's discussion and analysis, of BCE for the three months ended March 31, 2016;
vi) the annual information form of the Company and BCE for the fiscal years ended December 31, 2015, 2014 and 2013;
vii) the management information circular of the Company dated April 8, 2016 relating to the annual meeting of Shareholders to be held on May 12, 2016;
viii) certain internal financial, operational, corporate and other information prepared or provided by the management of the Company, including internal operating and financial budgets and projections;
ix) selected public market trading statistics and relevant financial information of the Company and other public entities;
x) selected financial statistics and relevant financial information with respect to relevant precedent transactions;
xi) selected relevant reports published by equity research analysts and industry sources regarding the Company and other comparable public entities;
xii) the commercial vendor due diligence report on MTS prepared by an international consultant, dated April 21, 2016;
xiii) the quality of earnings report on MTS prepared by KPMG LLP, dated April 20, 2016;
xiv) a due diligence session with the chief financial officer of BCE on April 29, 2016;
xv) a certificate addressed to us, dated as of the date hereof, from two senior officers of the Company, as to the completeness and accuracy of the Information (as defined below); and
xvi) such other information, analyses, investigations, and discussions as we considered necessary or appropriate in the circumstances.

In addition, we have participated in discussions with members of the senior management of the Company regarding its past and current business operations, financial condition and future prospects. We have also participated in discussions with Stikeman Elliott LLP, external legal counsel to the Company, concerning the Proposed Transaction, the Arrangement Agreement and related matters.

Assumptions and Limitations

Our Opinion is subject to the assumptions, qualifications and limitations set forth below.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of any of the assets or securities of the Company, the Purchaser or any of their respective affiliates and our Opinion should not be construed as such.

With your permission, we have relied upon, and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Company or its affiliates or advisors or otherwise obtained by us pursuant to our engagement, and our Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to or attempted to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions and representations. We have not met separately with the independent auditors of the Company or the Purchaser in connection with preparing this Opinion and with your permission, we have assumed the accuracy and fair presentation of, and relied upon, the Company's and the Purchaser's audited financial statements and the reports of the auditors thereon and the Company's and the Purchaser's interim unaudited financial statements.

With respect to the historical financial data, operating and financial forecasts and budgets provided to us concerning the Company and relied upon in our financial analyses, we have assumed that they have been reasonably prepared on bases reflecting the most reasonable assumptions, estimates and judgements of management of the Company, having regard to the Company's business, plans, financial condition and prospects.

We have also assumed that all of the representations and warranties contained in the Arrangement Agreement are correct as of the date hereof and that the Proposed Transaction will be completed substantially in accordance with its terms and all applicable laws and that the Circular will disclose all material facts relating to the Proposed Transaction and will satisfy all applicable legal requirements.

The Company has represented to us, in a certificate of two senior officers of the Company dated the date hereof, among other things, that the information, data and other material (financial or otherwise) provided to us by or on behalf of the Company, including the written information and discussions concerning the Company referred to above under the heading "Scope of Review" (collectively, the "Information"), are complete and correct at the date the Information was provided to us and that, since the date on which the Information was provided to us, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Proposed Transaction or the sufficiency of this letter for your purposes.

Our Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Company and the Purchaser as they are reflected in the Information and as they were represented to us in our discussions with management of the Company and its affiliates and advisors. In our analyses and in connection with the preparation of our Opinion, we made numerous assumptions with respect to industry performance, general business, markets and economic conditions and other matters, many of which are beyond the control of any party involved in the Proposed Transaction.

The Opinion is being provided to the Board of Directors for its exclusive use only in considering the Proposed Transaction and may not be published, disclosed to any other person, relied upon by any other person, or used for any other purpose, without the prior written consent of CIBC. Our Opinion is not intended to be and does not constitute a recommendation to the Board of Directors as to whether they should approve the Arrangement Agreement nor as a recommendation to any Shareholder as to how to vote or act at the Special Meeting or as an opinion concerning the trading price or value of any securities of MTS and BCE or any of their respective affiliates following the announcement or completion of the Proposed Transaction.

CIBC believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to carry out such could lead to undue emphasis on any particular factor or analysis.

The Opinion is given as of the date hereof and, although we reserve the right to change or withdraw the Opinion if we learn that any of the information that we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change or withdraw the Opinion, to advise any person of any change that may come to our attention or to update the Opinion after the date of this Opinion.

Opinion

Based upon and subject to the foregoing and such other matters as we considered relevant, it is our opinion, as of the date hereof, that the Consideration to be received by Shareholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to Shareholders.

Yours very truly,

CIBC World Markets Inc.

APPENDIX "E" – OPINION OF TD SECURITIES INC.

TD Securities
TD Securities Inc.
66 Wellington Street West
TD Bank Tower, 9th Floor
Toronto, Ontario M5K 1A2

May 1, 2016

The Board of Directors
Manitoba Telecom Services Inc.
333 Main Street, 21st Floor
Winnipeg, Manitoba
R3C 3V6

To the Board of Directors:

TD Securities Inc. ("TD Securities") understands that Manitoba Telecom Services Inc. ("MTS") is considering entering into an arrangement agreement (the "Arrangement Agreement") with BCE Inc. ("BCE" or the "Purchaser"), pursuant to which the Purchaser would acquire all of the issued and outstanding common shares (the "Common Shares") of MTS (the "Arrangement"). Pursuant to the terms of the Arrangement, the holders of Common Shares (the "Shareholders", or individually a "Shareholder") can elect to receive (i) $40.00 in cash or (ii) 0.6756 BCE common shares ("BCE Common Shares") per Common Share, subject to proration such that the aggregate consideration will be paid 45% in cash and 55% in BCE Common Shares (collectively, the "Consideration"). The above description is summary in nature. The specific terms and conditions of the Arrangement are set out in the Arrangement Agreement between MTS and the Purchaser dated May 1, 2016 and will be more fully described in the notice of special meeting of shareholders and management information circular (the "Circular"), which is to be mailed to the Shareholders in connection with the Arrangement.

ENGAGEMENT OF TD SECURITIES

TD Securities was initially contacted by MTS regarding a potential advisory assignment in January 2016. TD Securities was formally engaged by MTS pursuant to an engagement agreement dated April 27, 2016 (the "Engagement Agreement") to provide financial advice and assistance to MTS in connection with the Arrangement and, if requested, to prepare and deliver to the Board of Directors of MTS an opinion (the "Opinion") as to the fairness, from a financial point of view, of the Consideration to be received by the Shareholders pursuant to the Arrangement. TD Securities has not prepared a valuation of MTS, BCE or any of their respective securities or assets and the Opinion should not be construed as such.

The terms of the Engagement Agreement provide that TD Securities will receive a fee for its services, a portion of which is payable on delivery of the Opinion and a portion of which is contingent on completion of the Arrangement or certain other events, and is to be reimbursed for its reasonable out-of-pocket expenses. Furthermore, MTS has agreed to indemnify TD Securities, in certain circumstances, against certain expenses, losses, claims, actions, suits, proceedings, damages and liabilities which may arise directly or indirectly from services performed by TD Securities in connection with the Engagement Agreement.

On May 1, 2016, at the request of the Board of Directors, TD Securities orally delivered the Opinion to the Board of Directors of MTS based upon and subject to the scope of review, assumptions and limitations and other matters described herein. This Opinion provides the same opinion, in writing, as that given orally by TD Securities on May 1, 2016. Subject to the terms of

the Engagement Agreement, TD Securities consents to the inclusion of the Opinion, in its entirety, in the Circular, along with a summary thereof, in a form acceptable to TD Securities, and to the filing thereof by MTS with the applicable Canadian securities regulatory authorities.

CREDENTIALS OF TD SECURITIES

TD Securities is one of Canada's largest investment banking firms with operations in a broad range of investment banking activities including corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. TD Securities also has significant international operations. TD Securities has been a financial advisor in a large number of transactions involving public and private companies in various industry sectors and has extensive experience in preparing valuations and fairness opinions.

The Opinion represents the opinion of TD Securities and its form and content have been approved by a committee of senior investment banking professionals of TD Securities, each of whom is experienced in merger, acquisition, divestiture, valuation, and fairness opinion matters.

RELATIONSHIP WITH INTERESTED PARTIES

Neither TD Securities nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) (the "Securities Act")) of MTS, the Purchaser or any of their respective associates or affiliates (collectively, the "Interested Parties"). Neither TD Securities nor any of its affiliates is an advisor to any of the Interested Parties with respect to the Arrangement other than to MTS pursuant to the Engagement Agreement.

TD Securities and its affiliates have not been engaged to provide any financial advisory services, have not acted as lead or co-lead manager on any offering of securities of MTS, BCE or any other Interested Party, and have not had a material financial interest in any transaction involving MTS, BCE or any other Interested Party during the 24 months preceding the date on which TD Securities was first contacted in respect of the Opinion, other than services provided under the Engagement Agreement and as described herein. TD Securities acted as co-financial advisor to MTS in connection with the sale of the Allstream business announced in November 2015. TD Securities has acted in the following capacities for BCE: (i) joint bookrunner on BCE's $862 million bought deal equity offering announced in November 2015; (ii) joint-lead underwriter on Q9 Networks' (an associate entity of BCE) $580 million credit facility; (iii) joint bookrunner and co-lead on Bell Canada's (an affiliate of BCE) offering of $1 billion of MTN debentures due 2022 announced in September 2015 and $500 million of MTN debentures due 2021 and $750 million of MTN debentures due 2044 both announced in September 2014; (iv) co-lead arranger, joint bookrunner and administrative agent on Bell Canada's $3.0B revolving credit facility; and (v) co-documentation agent on Bell Canada's $0.5 billion term loan. The Toronto-Dominion Bank ("TD Bank"), the parent company of TD Securities, directly or through an affiliate provides banking services and other financing services to entities related to MTS and BCE in the normal course of business, and may in the future provide banking services and credit facilities to MTS, BCE or any other Interested Party.

TD Securities and its affiliates act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of any Interested Party, and, from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it may have received or may receive compensation. As an investment dealer, TD Securities conducts research on securities and may, in

the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Arrangement, MTS, BCE or any other Interested Party.

The fees payable to TD Securities in connection with the Engagement Agreement and the Opinion are not financially material to TD Securities. No understandings or agreements exist between TD Securities and MTS, BCE or any other Interested Party with respect to future financial advisory or investment banking business other than those that may arise as a result of the Engagement Agreement. Subject to the terms of the Engagement Agreement, TD Securities may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for MTS, BCE or any other Interested Party. TD Bank may provide directly, or through an affiliate, banking services including loans to MTS, BCE or any other Interested Party in the normal course of business.

SCOPE OF REVIEW

In connection with the Opinion, TD Securities reviewed and relied upon (without attempting to verify independently the completeness, accuracy or fair presentation of) or carried out, among other things, the following:

1. draft of the Arrangement Agreement dated April 30, 2016;

2. audited financial statements of MTS and BCE and related management's discussion and analysis, for the years ended December 31, 2013, 2014 and 2015;

3. annual information forms of MTS and BCE for fiscal years ended December 31, 2013, 2014 and 2015;

4. management information circulars of MTS and BCE for fiscal years ended December 31, 2013, 2014 and 2015;

5. internal financial reports and operational information of MTS for the three month period ended March 31, 2016;

6. interim unaudited financial statements of BCE and related management's discussion and analysis, for the three month period ended March 31, 2016;

7. unaudited projected financial and operational information for MTS for the years ending December 31, 2016 through December 31, 2020 prepared by management of MTS;

8. various financial, operational and tax information and reports regarding MTS prepared by and for management of MTS;

9. various analyses and reports prepared by other 3rd party advisors engaged by MTS in connection with the Arrangement;

10. various research publications prepared by industry and equity research analysts regarding MTS, BCE and other selected public entities considered relevant;

11. public information relating to the business, operations and financial performance history of MTS, BCE and other selected public entities considered relevant;

12. public information with respect to certain other transactions of a comparable nature considered relevant;

13. representations contained in a certificate dated May 1, 2016 from senior officers of MTS (the "Certificate");

14. a due diligence session with senior management of BCE with respect to BCE's past and current business operations, financial condition, business prospects and other issues deemed relevant;

15. discussions with senior management of MTS with respect to the information referred to above and other issues deemed relevant;

16. discussions with legal counsel to MTS, with respect to various legal matters relating to the Arrangement and other matters considered relevant; and

17. other financial, legal and operating information and materials assembled by MTS and such other corporate, industry, and financial market information, investigations and analyses as TD Securities considered necessary or appropriate in the circumstances.

TD Securities has not, to the best of its knowledge, been denied access by MTS or BCE to any information requested by TD Securities. TD Securities did not meet with the auditors of MTS or BCE and has assumed the accuracy, completeness and fair presentation of, and has relied upon, without independent verification, the financial statements of MTS and BCE and any reports of the auditors thereon.

PRIOR VALUATIONS

Senior officers of MTS, on behalf of MTS, have represented to TD Securities in the Certificate that, among other things, to the best of their knowledge, information and belief after due inquiry, there have been no valuations or appraisals relating to MTS or any affiliate or any of their respective material assets or liabilities made in the preceding 24 months and in the possession or control of MTS other than those which have been provided to TD Securities or, in the case of valuations known to MTS which it does not have within its possession or control, notice of which has not been given to TD Securities.

ASSUMPTIONS AND LIMITATIONS

With MTS' acknowledgement and agreement as provided for in the Engagement Agreement, TD Securities has relied upon the accuracy, completeness and fair presentation of all financial and other information filed by MTS and BCE with securities regulatory or similar authorities (including on the System for Electronic Document Analysis and Retrieval ("SEDAR")), provided to it by or on behalf of MTS, BCE, or their respective representatives in respect of MTS or BCE, or their respective subsidiaries, or otherwise obtained by TD Securities, including the Certificate identified above (collectively, the "Information"). The Opinion is conditional upon such accuracy, completeness and fair presentation of the Information. Subject to the exercise of professional judgment, and except as expressly described herein, TD Securities has not attempted to verify independently the accuracy, completeness or fair presentation of any of the Information.

With respect to the budgets, forecasts, projections or estimates provided to TD Securities and used in its analyses, TD Securities notes that projecting future results is inherently subject to uncertainty.

TD Securities has assumed, however, that such budgets, forecasts, projections and estimates were prepared using the assumptions which TD Securities has been advised by MTS are (or were at the time of preparation and continue to be as of the date hereof) reasonable in the circumstances. TD Securities expresses no independent view as to the reasonableness of such budgets, forecasts, projections and estimates or the assumptions on which they are based.

Senior officers of MTS, on behalf of MTS, have represented to TD Securities in the Certificate, to the best of their knowledge, information and belief after due inquiry: (i) that MTS has no information or knowledge of any facts, public or otherwise, not specifically provided to TD Securities relating to MTS which would reasonably be expected to affect materially the Opinion to be given by TD Securities; (ii) with the exception of forecasts, projections or estimates referred to in subparagraph (iv) below, the Information in respect of MTS and its affiliates in connection with the Arrangement is or, in the case of historical Information was, at the date of preparation, true, complete and accurate and did not and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the Information not misleading in the light of circumstances in which it was presented; (iii) to the extent that any of the Information identified in subparagraph (ii) above is historical, there have been no changes in any material facts or new material facts since the respective dates thereof which have not been disclosed to TD Securities or updated by more current information not provided to TD Securities by MTS and there has been no material change, financial or otherwise in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of MTS and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion; (iv) any portions of the Information provided to TD Securities (or filed on SEDAR) which constitute forecasts, projections or estimates were prepared using the assumptions identified therein, which, in the reasonable opinion of MTS, are (or were at the time of preparation and continue to be) reasonable in the circumstances; (v) there have been no valuations or appraisals relating to MTS or any affiliate or any of their respective material assets or liabilities made in the preceding 24 months and in the possession or control of MTS other than those which have been provided to TD Securities or, in the case of valuations known to MTS which it does not have within its possession or control, notice of which has not been given to TD Securities; (vi) there have been no verbal or written offers or serious negotiations for or transactions involving any material property of MTS or any of its affiliates during the preceding 24 months which have not been disclosed to TD Securities; (vii) since the dates on which the Information was provided to TD Securities (or filed on SEDAR), no material transaction has been entered into by MTS or any of its affiliates; (viii) other than as disclosed in the Information, neither MTS nor any of its affiliates has any material contingent liabilities and there are no actions, suits, claims, proceedings, investigations or inquiries pending or threatened against or affecting the Arrangement, MTS or any of its affiliates at law or in equity or before or by any federal, national, provincial, state, municipal or other governmental department, commission, bureau, board, agency or instrumentality which may, in any way, materially adversely affect MTS or its affiliates or the Arrangement; (ix) all financial material, documentation and other data concerning the Arrangement, MTS and its affiliates, including any projections or forecasts provided to TD Securities, were prepared on a basis consistent in all material respects with the accounting policies applied in the most recent audited consolidated financial statements of MTS; (x) there are no agreements, undertakings, commitments or understanding (whether written or oral, formal or informal) relating to the Arrangement, except as have been disclosed in complete detail to TD Securities; (xi) the contents of any and all documents prepared in connection with the Arrangement for filing with regulatory authorities or delivery or communication to securityholders of MTS (collectively, the "Disclosure Documents") have been, are and will be true, complete and correct in all material respects and have not and will not contain any misrepresentation (as defined in the Securities Act) and the Disclosure

Documents have complied, comply and will comply with all requirements under applicable laws; (xii) MTS has complied in all material respects with the Engagement Agreement, including the terms and conditions of the Indemnity attached as Schedule A thereto; (xiii) to the best of its knowledge, information and belief after due inquiry, there is no plan or proposal for any material change (as defined in the Securities Act) in the affairs of MTS which have not been disclosed to TD Securities.

In preparing the Opinion, TD Securities has made a number of assumptions, including that all final or executed versions of agreements and documents will conform in all material respects to the drafts provided to TD Securities, that all conditions precedent to the consummation of the Arrangement Agreement can and will be satisfied, that all approvals, authorizations, consents, permissions, exemptions or orders of relevant regulatory authorities, courts of law, or third parties required in respect of or in connection with the Arrangement will be obtained in a timely manner, without adverse condition or qualification, that all steps or procedures being followed to implement the Arrangement are valid and effective and comply with all applicable laws and regulatory requirements, that all required documents have been or will be distributed to the Shareholders in accordance with applicable laws and regulatory requirements, and that the disclosure in such documents is or will be complete and accurate, in all material respects, and such disclosure complies or will comply, in all material respects, with the requirements of all applicable laws and regulatory requirements. TD Securities considered the impact of any potential regulatory review that may be commenced in connection with the Arrangement, including the potential requirements under the Arrangement Agreement. In its analysis in connection with the preparation of the Opinion, TD Securities made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of TD Securities, MTS, BCE and their respective affiliates or any other party involved in the Arrangement. Among other things, TD Securities has assumed the accuracy, completeness and fair presentation of and has relied upon the financial statements forming part of the Information. The Opinion is conditional on all such assumptions being correct.

The Opinion has been provided for the exclusive use of the Board of Directors of MTS in connection with the Arrangement. The Opinion may not be used or relied upon by any other person or for any other purpose without the express prior written consent of TD Securities. The Opinion does not address the relative merits of the Arrangement as compared to other transactions or business strategies that might be available to MTS, nor does it address the underlying business decision to implement the Arrangement. In considering fairness, from a financial point of view, TD Securities considered the Arrangement from the perspective of the Shareholders generally and did not consider the specific circumstances of any particular Shareholder of MTS or any other MTS stakeholder, including with regard to income tax considerations. TD Securities expresses no opinion with respect to future trading prices of securities of MTS or BCE. The Opinion is rendered as of May 1, 2016 on the basis of securities markets, economic and general business and financial conditions prevailing on that date and the condition and prospects, financial and otherwise, of MTS, BCE and their respective subsidiaries and affiliates as they were reflected in the Information provided or otherwise available to TD Securities. Any changes therein may affect the Opinion and, although TD Securities reserves the right to change, withdraw, withhold or supplement the Opinion in such event, it disclaims any undertaking or obligation to advise any person of any such change that may come to its attention, or to change, withdraw, withhold or supplement the Opinion after such date. TD Securities is not an expert on, and did not provide advice to the Board of Directors of MTS regarding, legal, accounting, regulatory or tax matters. The Opinion may not be summarized, published, reproduced, disseminated, quoted from or referred to without the express written consent of TD Securities.

The preparation of a fairness opinion is a complex process and is not necessarily amenable to partial analysis or summary description. TD Securities believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create an incomplete view of the process underlying the Opinion. Accordingly, the Opinion should be read in its entirety.

CONCLUSION

Based upon and subject to the foregoing and such other matters that TD Securities considered relevant, TD Securities is of the opinion that, as of May 1, 2016, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to such Shareholders.

Yours very truly,

TD SECURITIES INC.

APPENDIX "F" - SECTION 184 OF THE CORPORATIONS ACT (MANITOBA)

Right to dissent

184 (1) Subject to sections 185 and 234, and any unanimous shareholder agreement, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under clause 185(10)(d) that affects the holder or if the corporation resolves

(a) to amend its articles under section 167 or 168 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class; or

(b) to amend its articles under section 167 to add, change or remove any restriction upon the business or businesses that the corporation may carry on; or

(c) to amalgamate with another corporation, otherwise than under section 178; or

(d) to be continued under the laws of another jurisdiction under section 182; or

(e) to sell, lease or exchange all or substantially all its property under subsection 183(3); or

(f) to amend its articles under subsection 167(2) to convert the corporation from a corporation with share capital into a corporation without share capital; or

(g) to amend its articles under subsection 167(2) to convert the corporation from a corporation without share capital into a corporation with share capital, where the articles contain a provision that upon dissolution the remaining property is to be distributed among the members as provided in section 277; or

(h) if it is a corporation without share capital, to amend its articles under section 167 to prevent a distribution to the members on dissolution.

Further right to dissent

184(2) A holder of shares of any class or series of shares entitled to vote under section 170 may dissent if the corporation resolves to amend its articles in a manner described in that section.

Payment for shares

184(3) In addition to any other right he may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which he dissents or an order made under subsection 185(10) becomes effective, to be paid by the corporation the fair value of the shares held by him in respect to which he dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

184(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by him on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

184(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of his right to dissent.

Notice of resolution

184(6) The corporation shall, within 10 days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but the notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn his objection.

Demand for payment

184(7) A dissenting shareholder shall, within 20 days after he receives a notice under subsection (6) or, if he does not receive the notice, within 20 days after he learns that the resolution has been adopted, send to the corporation a written notice containing

(a) his name and address;

(b) the number and class of shares in respect of which he dissents; and

(c) a demand for payment of the fair value of his shares.

Share certificate

184(8) A dissenting shareholder shall, within 30 days after sending a notice under subsection (7), send the certificates representing the shares in respect of which he dissents to the corporation or its transfer agent.

Forfeiture

184(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

Endorsing certificate

184(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

Suspension of rights

184(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of his shares as determined under this section except where

(a) the dissenting shareholder withdraws his notice before the corporation makes an offer under subsection (12);

(b) the corporation fails to make an offer in accordance with subsection (12) and the dissenting shareholder withdraws his notice; or

(c) the directors revoke a resolution to amend the articles under subsection 167(8) or 168(3), terminate an amalgamation agreement under subsection 177(6) or an application for continuance under subsection 182(6), or abandon a sale, lease or exchange under subsection 183(8);

and in that case his rights as a shareholder are reinstated as of the date he sent the notice referred to in subsection (7).

Offer to pay

184(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent the notice

(a) a written offer to pay for his shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Same terms

184(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

Payment

184(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within 10 days after an offer made under subsection (12) has been accepted, but that offer lapses if the corporation does not receive an acceptance thereof within 30 days after the offer has been made.

Corporation application to court

184(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within 50 days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

Shareholder application to court

184(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of 20 days or within such further period as a court may allow.

Venue

184(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

No security for costs

184(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

Parties

184(19) Upon an application under subsection (15) or (16),

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of his right to appear and be heard in person or by counsel.

Powers of court

184(20) Upon an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

Appraisers

184(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

184(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of his shares as fixed by the court.

Interest

184(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Notice that subsection (26) applies

184(24) If subsection (26) applies, the corporation shall, within 10 days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Effect where subsection (26) applies

184(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving a notice under subsection (24) may

(a) withdraw his notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to his full rights as a shareholder; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

184(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

APPENDIX "G"- INTERIM ORDER

File No. 16-01-02013

THE QUEEN'S BENCH
Winnipeg Centre

IN THE MATTER OF:	**Section 185 of *The Corporations Act*, C.C.S.M. c. C-225, as amended**
AND IN THE MATTER OF:	**A proposed arrangement of MANITOBA TELECOM SERVICES INC. involving the holders of common shares, options to purchase common shares, performance share units, restricted share units and deferred compensation units of Manitoba Telecom Services Inc. and BCE Inc.**

MANITOBA TELECOM SERVICES INC.,

Applicant.

Certified copy of

INTERIM ORDER

AIKINS, MacAULAY & THORVALDSON LLP
Barristers and Solicitors
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Winnipeg, MB R3C 4G1

JONATHAN B. KROFT
Telephone: 204-957-4671
Facsimile: 204-957-4253

File No. 1504365

Court File No. 16 -01-02013

THE QUEEN'S BENCH

Winnipeg Centre

THE HONOURABLE JUSTICE G. CHARTIER	)))	**WEDNESDAY, THE 25th DAY OF MAY, 2016**

IN THE MATTER OF: **Section 185 of *The Corporations Act*, C.C.S.M. c. C-225, as amended**

AND IN THE MATTER OF: **A proposed arrangement of MANITOBA TELECOM SERVICES INC. involving the holders of common shares, options to purchase common shares, performance share units, restricted share units and deferred compensation units of Manitoba Telecom Services Inc. and BCE Inc.**

MANITOBA TELECOM SERVICES INC.,

Certified copy of

Applicant.

INTERIM ORDER

THIS MOTION made by the Applicant, MANITOBA TELECOM SERVICES INC. (the "**Company**"), for an interim order (the "**Interim Order**") for advice and directions pursuant to section 185 of *The Corporations Act*, C.C.S.M. c. C-225 (the "**Corporations Act**") was heard this day at the Law Courts Complex, 408 York Avenue, Winnipeg, Manitoba.

ON READING the Notice of Application issued on May 18, 2016 (the "**Notice of Application**"), the Notice of Motion filed on May 18, 2016 (the "**Notice of Motion**") and the affidavit of Paul A. Beauregard sworn May 17, 2016, (the "**Beauregard Affidavit**") and on hearing the submissions of counsel for the Company, counsel for BCE Inc. (the "**Purchaser**") and counsel for the Director appointed under the Corporations Act (the "**Director**"), and on being advised by counsel for the Director that the Director does not take a position in respect of the Interim Order sought in the Notice of Motion.

AND ON BEING ADVISED that the Purchaser intends to rely on an exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, pursuant to section 3(a)(10) thereof, with respect to the securities to be issued pursuant to the terms of the Plan of Arrangement, based on the Court's approval of the Arrangement after the Final Hearing (as hereinafter defined).

Definitions

1. **THIS COURT ORDERS** that capitalized terms used herein that are not otherwise defined shall have the meanings ascribed to them in the draft management information circular of the Company, which is attached as Exhibit "A" to the Beauregard Affidavit (the "**Company Circular**").

Service

2. **THIS COURT ORDERS** that service on the Director is sufficient service for the purpose of this motion for an Interim Order. For greater certainty, no other person, including the holders of the common shares (the "**Company Shares**") of the Company (the "**Company Shareholders**") needs to be served with the Notice of Application, the

Notice of Motion or the Beauregard Affidavit for the purposes of this motion for an Interim Order.

The Company Meeting

3. **THIS COURT ORDERS** that the Company is permitted to call, hold and conduct a special meeting of Company Shareholders as at the Record Date (as defined below) to be held at the Hotel Fort Garry, 222 Broadway in Winnipeg, Manitoba on June 23, 2016 at 9:00 a.m. (Winnipeg Time) in order for the Company Shareholders to consider and, if determined advisable, pass the special resolution substantially in the form set out in Appendix "A" to the Company Circular (the "**Arrangement Resolution**") authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement.

4. **THIS COURT ORDERS** that, except as provided in this Interim Order, the Company Meeting shall be called, held and conducted in accordance with the Corporations Act, the notice of meeting of Company Shareholders (the "**Notice of the Company Meeting**") which accompanies the Company Circular and the articles and by-laws of the Company.

5. **THIS COURT ORDERS** that the record date (the "**Record Date**") for determination of the Company Shareholders entitled to receive Notice of the Company Meeting, and to vote at, the Company Meeting shall be the close of business on May 20, 2016 and that notice of the Record Date which has been given by the Applicant pursuant to: (i) the general publication thereof in the Globe and Mail and Winnipeg Free Press on May 13, 2016; (ii) the filing of a notice of the Record Date on the System for

Electronic Document Analysis and Retrieval (SEDAR); and (iii) the delivery of the Notice of Company Meeting in accordance with the terms as provided hereafter, is sufficient notice to Company Shareholders of the Record Date.

6. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Company Meeting shall be:

(a) the Company Shareholders or their respective proxyholders;

(b) the officers, directors, auditors and advisors of the Company;

(c) representatives and advisors of the Purchaser;

(d) the Director appointed under the Corporations Act; and

(e) other persons who may receive the permission of the Chair of the Company Meeting.

7. **THIS COURT ORDERS** that the Company may transact such other business at the Company Meeting as is contemplated in the Company Circular, or as may otherwise be properly brought before the Company Meeting.

Meeting Chair

8. **THIS COURT ORDERS** that the Chair of the Company Meeting shall be the Chair of the board of directors of the Company or such other person designated by the board of directors of the Company.

Quorum

9. **THIS COURT ORDERS** that the quorum at the Company Meeting shall be not less than two persons present in person at the opening of the Company Meeting, holding or representing by proxy not less than 10% of the Company Shares entitled to vote at the Company Meeting.

Amendments to the Arrangement and Plan of Arrangement

10. **THIS COURT ORDERS** that the Company is authorized to make, subject to the terms of the Arrangement Agreement, and paragraph 11 below, such amendments, modifications or supplements to the Plan of Arrangement at any time and from time to time prior to the effective date of the Plan of Arrangement, without any additional notice to the Company Shareholders, or others entitled to receive notice under paragraphs 14 or 15 hereof, and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Honourable Court at the hearing for the final approval of the Arrangement.

11. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Plan of Arrangement as referred to in paragraph 10 above, would, if disclosed, reasonably be expected to affect a Company Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Honourable Court, by

press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as the Company may determine.

Amendments to the Company Circular

12. **THIS COURT ORDERS** that the Company is authorized to make such amendments, revisions and/or supplements to the Company Circular as it may determine and the Company Circular, as so amended, revised and/or supplemented, shall be the Company Circular to be distributed in accordance with paragraph 14.

Adjournments and Postponements

13. **THIS COURT ORDERS** that the Company, if it deems advisable and subject to the terms of the Arrangement Agreement, is authorized to adjourn or postpone the Company Meeting on one or more occasions, without the necessity of first convening the Company Meeting or first obtaining any vote of the Company Shareholders respecting the adjournment or postponement and without the need for further approval of this Honourable Court, and notice of any such adjournment or postponement shall be given by such method as the Company may determine is appropriate in the circumstances. This provision shall not limit the authority of the Chair of the Company Meeting in respect of adjournments and postponements. No such adjournment will affect the Record Date for the Company Meeting or the Company Shareholders entitled to vote at the Company Meeting.

Notice of Company Meeting and Service of Court Materials

14. **THIS COURT ORDERS** that, in order to effect notice of the Company Meeting, the Company shall send the Company Circular (including the Notice of Application and

this Interim Order), the Notice of Company Meeting and the form of proxy, along with such amendments or additional documents as the Company may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "**Company Meeting Materials**") to the following persons:

(a) the registered Company Shareholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Company Meeting, excluding the date of sending and the date of the Company Meeting, by one or more of the following methods:

(i) by pre-paid ordinary or first class mail to the latest address of each of the Company Shareholders shown on the books and records of the Company, or its registrar and transfer agent, at the close of business on the Record Date and, if no address appears in the books and records then to the last address of the person known to the Corporate Secretary of the Company;

(ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or

(iii) by facsimile or other electronic transmission to any registered Company Shareholder, who is identified to the satisfaction of the Company, who requests or consents to such transmission in writing and who is prepared to pay any charges for such transmission;

(b) the non-registered Company Shareholders by providing sufficient copies of the Company Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators; and

(c) the directors and auditors of the Company and to the Director appointed under the Corporations Act, by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or, with the consent of the person, by electronic transmission.

15. **THIS COURT ORDERS** that, in the event that the Company distributes the Company Meeting Materials as contemplated in paragraph 14, the Company is hereby directed to distribute or cause to be distributed the Company Circular (including the Notice of Application and this Interim Order) and any other communications or documents determined by the Company to be necessary or desirable (collectively, the "**Court Materials**") to the holders of options to purchase Company Shares ("**Company Options**"), performance share units of the Company ("**PSUs**"), restricted stock units of the Company ("**RSUs**") and deferred compensation units of the Company ("**DCUs**") by any method permitted for notice to Company Shareholders as set forth in paragraph 14 above, or by e-mail, concurrently with the distribution described in paragraph 14 above. Distributions to such persons shall be to their addresses (including e-mail addresses, in the case of delivery by e-mail) as they appear on the books and records of the Company or its registrar and transfer agent at the close of business on the Record Date or, if no address appears in the books and records, then to the last address (including e-

mail address in the case of delivery by e-mail) of the person known to the Corporate Secretary of the Company.

16. **THIS COURT ORDERS** that accidental failure or omission by the Company to give Notice of the Company Meeting or to distribute the Company Meeting Materials or the Court Materials to any person entitled to receive such material, or any failure or omission to give such materials as a result of events beyond the reasonable control of the Company, or the non-receipt of such materials shall, subject to further order of this Honourable Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Company Meeting. If any such failure or omission is brought to the attention of the Company, it shall use its commercially reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

17. **THIS COURT ORDERS** that the Company is authorized to make such amendments, revisions or supplements to the Company Meeting Materials as it may determine ("**Additional Information**"), and that notice of such Additional Information may, subject to paragraph 11, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as the Company may determine.

18. **THIS COURT ORDERS** that distribution of the Company Meeting Materials and Court Materials in accordance with paragraphs 14 and 15 of this Interim Order shall constitute good and sufficient notice of the Company Meeting, good and sufficient service of the within application and good and sufficient notice of the date of the Final

Hearing (as hereinafter defined) upon all persons entitled to such notice or service and that those persons are bound by any orders made on the within application. Further, no other form of delivery or service of the Company Meeting Materials (or any portion thereof), the Court Materials (or any portion thereof) or any other material is required to be given or made in respect of these proceedings and/or the Company Meeting, except as required by paragraphs 11 and 17 of this Interim Order.

Solicitation and Revocation of Proxies

19. **THIS COURT ORDERS** that the Company is authorized to use the form of proxy in connection with the Company Meeting and the letter of transmittal and election form prior to the closing of the Arrangement, in each case in substantially the form of the drafts attached as Exhibits "F and "G" to the Beauregard Affidavit, respectively, with such amendments and additional information as the Company may determine are necessary or desirable. The Company and the Purchaser are authorized, at their expense, to solicit proxies, directly or through their respective officers, directors or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as they may determine. The Company may waive generally, in its discretion, the time limits set out in the Company Circular for the deposit or revocation of proxies by Company Shareholders, if the Company deems it advisable to do so.

20. **THIS COURT ORDERS** that Company Shareholders shall be entitled to revoke their proxies in accordance with section 142(4) of the Corporations Act (except as the procedures of that section are varied by this paragraph) provided that any instruments in writing delivered pursuant to section 142(4)(a)(i) of the Corporations Act may be

deposited at the registered office of the Company or with the transfer agent of the Company as set out in the Company Circular. Alternatively, Company Shareholders may sign a proxy bearing a later date than the earlier proxy and deposit it at the office indicated on the enclosed envelope not later than 5:00 p.m. (Winnipeg Time) on June 21, 2016 or, in the case of any adjournment or postponement of the Company Meeting, by no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the reconvened or postponed meeting.

Voting

21. **THIS COURT ORDERS** that the only persons entitled to vote in person or by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Company Meeting, shall be those Company Shareholders who hold Company Shares as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution and otherwise as the proxy holders see fit.

22. **THIS COURT ORDERS** that votes shall be taken at the Company Meeting on the basis of one vote per Company Share and that in order for the Plan of Arrangement to be implemented, subject to a further Order of this Honourable Court, the Arrangement Resolution must be passed, with or without variation, at the Company Meeting by an affirmative vote of at least two-thirds ($66^{2}/_{3}\%$) of the votes cast in respect of the Arrangement Resolution at the Company Meeting in person or by proxy by the Company Shareholders. Such votes shall be sufficient to authorize the Company to do

all such acts and things as may be necessary or desirable to give effect to the Plan of Arrangement on a basis consistent with the Company Circular without the necessity of any further approval by the Company Shareholders and subject only to final approval of the Plan of Arrangement by this Honourable Court.

23. **THIS COURT ORDERS** that in respect of matters properly brought before the Company Meeting other than the Arrangement Resolution, each Company Shareholder is entitled to one vote for each Company Share held.

Dissent Rights

24. **THIS COURT ORDERS** that each registered Company Shareholder shall be entitled to exercise Dissent Rights in connection with the Arrangement Resolution in accordance with section 184 of the Corporations Act (except as the procedures of that section are varied by this Interim Order and the Plan of Arrangement) provided that, notwithstanding subsection 184(5) of the Corporations Act, any registered Company Shareholder who wishes to dissent must provide written objection to the Arrangement Resolution to the Company in the form required by section 184 of the Corporations Act, which written objection must be received by the Company not later than 5:00 p.m. (Winnipeg Time) on June 21, 2016 or, in the case of any adjournment or postponement of the Company Meeting, by no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the adjourned or postponed meeting, and must otherwise strictly comply with the requirements of the Corporations Act. For purposes of these proceedings, the "court" referred to in section 184 of the Corporations Act means this Honourable Court.

25. **THIS COURT ORDERS** that all Company Shares held by any registered Company Shareholder who duly exercises such Dissent Rights (a "**Dissenting Holder**") set out in paragraph 24 above shall be deemed to have transferred (free and clear of all liens) to Purchaser Subco in consideration for a debt claim against Purchaser Subco for the amount determined under Section 5.1 of the Plan of Arrangement and specifically:

(i) if the Dissenting Holder is ultimately entitled to be paid the fair market value for such Company Shares, such Dissenting Holder will be entitled to be paid the fair value of such Company Shares by Purchaser Subco, which fair value shall be determined as of the close of business on the day before the Arrangement Resolution was adopted and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holder not exercised the Dissent Rights in respect of such Company Shares;

(ii) if the Dissenting Holder is ultimately not entitled, for any reason, to be paid fair value for such Company Shares, such Dissenting Holder shall be deemed to have participated in the Arrangement on the same basis as a Company Shareholder who is not a Dissenting Holder and shall be deemed to have elected to receive, for each such Company Shares the Cash Consideration,

but in no case shall the Company, the Purchaser or any other person be required to recognize such Company Shareholders as holders of Company Shares from and after the Effective Time of the Plan of Arrangement, and as at the Effective Time, the names

of such Company Shareholders shall be deleted from the Company's register of holders of Company Shares as provided in the Plan of Arrangement.

Hearing of Application for Approval of the Arrangement

26. **THIS COURT ORDERS** that upon approval, with or without variation, by the Company Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, the Company will proceed with its application to this Honourable Court for final approval of the Arrangement which application shall be heard on June 29, 2016 at 10:00 a.m. (Winnipeg Time) (the "**Final Hearing**").

27. **THIS COURT ORDERS** that any person who seeks to appear and be heard at the Final Hearing shall serve a notice of appearance ("**Notice of Appearance**"), containing a statement as to whether such person intends to support or oppose the application and a summary of such person's position and any evidence intended to be presented, no later than 1:00 p.m. (Winnipeg Time) on June 27, 2016 (or the day that is two Business Days (as defined in the Company Circular) immediately preceding any adjournment or postponement of the Final Hearing), upon counsel for the Company by delivering same to:

(a) Aikins, MacAulay & Thorvaldson LLP, 30th Floor - 360 Main Street Winnipeg, Manitoba R3C 4G1 Attention: Jonathan B. Kroft;

(b) Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario M5L 1B9 Attention: Edward Waitzer and Sean Vanderpol;

(c) Taylor McCaffrey LLP, 9th Floor – 400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5 Attention: G. Patrick S. Riley and Norman K. Snyder; and

(d) McCarthy Tetrault LLP, Suite 5300, Toronto Dominion Bank Tower, Toronto, Ontario M5K 1E6 Attention: Garth M. Girvan and Robert O. Hansen.

Any person filing a Notice of Appearance may obtain copies electronically of the documents filed in support of the Notice of Application upon request to counsel for the Company.

28. **THIS COURT ORDERS** that, subject to a further order of this Honourable Court, the only persons entitled to appear and be heard at the Final Hearing shall be:

(i) the Company;

(ii) the Purchaser;

(iii) the Director; and

(iv) any person who has filed a Notice of Appearance herein in accordance with paragraph 27 above and who is determined by this Honourable Court to have standing.

29. **THIS COURT ORDERS** that any materials to be filed by the Company in support of the Notice of Application may be filed up to one day prior to Final Hearing without further order of this Honourable Court.

30. **THIS COURT ORDERS** that in the event the Final Hearing does not proceed on the date set forth above, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 27 shall be entitled to notice of the adjourned date.

Precedence

31. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the Company Shares, Company Options, PSUs, RSUs and DCUs or the articles or by-laws of the Company, this Interim Order shall govern.

Extra-Territorial Assistance

32. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Honourable Court in carrying out the terms of this Interim Order.

Variance

33. **THIS COURT ORDERS** that the Company shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Honourable Court may direct.

SIGNED this 25th day of May, 2016

CERTIFIED A TRUE COPY

DEPUTY REGISTRAR

APPENDIX "H"- NOTICE OF APPLICATION

File No. CI 16-01-02013

THE QUEEN'S BENCH
Winnipeg Centre

IN THE MATTER OF:	Section 185 of *The Corporations Act*, C.C.S.M. c. C-225, as amended
AND IN THE MATTER OF:	A proposed arrangement of Manitoba Telecom Services Inc. involving the holders of common shares, options to purchase common shares, performance share units, restricted share units and deferred compensation units of Manitoba Telecom Services Inc. and BCE Inc.

MANITOBA TELECOM SERVICES INC.,

Applicant

NOTICE OF APPLICATION
HEARING DATE: MAY 25, 2016
BEFORE: JUSTICE G. CHARTIER

MAY 18 2016

AIKINS, MacAULAY & THORVALDSON LLP
Barristers and Solicitors
30th Floor – 360 Main Street
Winnipeg, MB R3C 4G1

JONATHAN B. KROFT
Telephone: 204-957-4671
Facsimile: 204-957-4253

File No. 1504365

Box No. 3

THE QUEEN'S BENCH
Winnipeg Centre

IN THE MATTER OF:	Section 185 of *The Corporations Act*, C.C.S.M. c. C-225, as amended
AND IN THE MATTER OF:	A proposed arrangement of Manitoba Telecom Services Inc. involving the holders of common shares, options to purchase common shares, performance share units, restricted share units and deferred compensation units of Manitoba Telecom Services Inc. and BCE Inc.

MANITOBA TELECOM SERVICES INC.,

Applicant

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing before a Judge, on May 25, 2016, at the Winnipeg Law Courts Building, 408 York Avenue in Winnipeg, Manitoba.

IF YOU WISH TO OPPOSE THIS APPLICATION, you or a Manitoba lawyer acting for you must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGEMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

Dated: May 18, 2016

Issued by: L. RANVILLE
Deputy Registrar

DEPUTY REGISTRAR
COURT OF QUEEN'S BENCH
FOR MANITOBA

TO: **HOLDERS OF COMMON SHARES, OPTIONS TO PURCHASE COMMON SHARES, PERFORMANCE SHARE UNITS, RESTRICTED SHARE UNITS AND DEFERRED COMPENSATION UNITS OF MANITOBA TELECOM SERVICES INC.**

AND TO: **THE DIRECTORS OF MANITOBA TELECOM SERVICES INC.**

AND TO: **THE AUDITORS OF MANITOBA TELECOM SERVICES INC.**

AND TO: **TAYLOR McCAFFREY LLP**
Lawyer for BCE Inc.

AND TO: **THE DIRECTOR APPOINTED PURSUANT TO *THE CORPORATIONS ACT* (MANITOBA)**

APPLICATION

1. THE APPLICANT, Manitoba Telecom Services Inc. (the "**Company**"), MAKES APPLICATION FOR:

(a) an interim Order for advice and directions pursuant to section 185(10) of *The Corporations Act*, C.C.S.M. c. C-225 (the "**Corporations Act**") with respect to calling, holding and conducting a special meeting (the "**Company Meeting**") of the shareholders of the Company (the "**Company Shareholders**") to consider, among other things, an arrangement to be implemented by way of a plan of arrangement (the "**Arrangement**") involving, amongst others, BCE Inc. and the Company Shareholders;

(b) an Order that this matter be heard on short leave, if necessary;

(c) an Order that service on the Director appointed pursuant to Section 253 of the Corporations Act is sufficient service with respect to the relief sought in subparagraphs (a) and (b);

(d) an Order adjourning the balance of this Application to a date to be fixed;

(e) an Order approving the Arrangement under Section 185 of the Corporations Act, contemplated by the arrangement agreement dated May 1, 2016 (the "**Arrangement Agreement**") between the Purchaser and the Company, substantially in the form attached as Appendix "B" to the management information circular (the "**Company Circular**") to be delivered to the Company Shareholders and attached as Exhibit "A" to the Affidavit of Paul A. Beauregard sworn May 17, 2016, as may be amended, if necessary, in accordance with the terms of the Arrangement Agreement; and

(g) such further and other relief as counsel may request and this Honourable Court may deem just.

2. THE GROUNDS OF THE APPLICATION ARE:

(a) the Company is a corporation amalgamated and existing under the provisions of the Corporations Act;

(b) the Purchaser is a corporation incorporated under the *Canada Business Corporations Act*;

(c) the proposed Arrangement is an "arrangement" within the meaning of section 185 of the Corporations Act;

(d) all statutory procedures under section 185 of the Corporations Act have been met or will be met by the date of the return of this Application;

(e) the Arrangement is put forward in good faith and is fair and reasonable;

(f) Section 185 of the Corporations Act;

(g) Section 3(a)(10) of the United States *Securities Act of 1933*, as amended (the "U.S. Securities Act"), exempts from the registration requirements of the U.S. Securities Act those securities which are issued in exchange for bona fide outstanding securities where the terms and conditions of such issuance and exchange are approved after a hearing by a court upon the fairness of such terms and conditions, at which all persons to whom it is proposed to issue securities in such exchange shall have the right to appear. Based on the Court's approval of the Arrangement, the Purchaser intends to rely upon this exemption under section

3(a)(10) of the U.S. Securities Act with respect to the share consideration provided pursuant to the terms of the Plan of Arrangement;

(h) Rules 14.05(1), 14.05(2), 14.05(3), 17.02 and 38 of the Court of Queen's Bench Rules and National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*; and

(i) such further and other grounds as counsel may advise and this Honourable Court may permit.

3. THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:

(a) this Notice of Application;

(b) such Interim Order as may be granted by this Honourable Court;

(c) the Affidavit of Paul Beauregard, sworn on May 17, 2016;

(d) a further affidavit to be sworn on behalf of the Company reporting on the compliance with the Interim Order and the results of the meeting conducted pursuant to the Interim Order; and

(e) such further and other material as counsel may advise and this Honourable Court may permit.

May 18, 2016

AIKINS, MACAULAY & THORVALDSON LLP
Barristers and Solicitors
30th Floor - 360 Main Street
Winnipeg, MB R3C 4G1

JONATHAN B. KROFT
Tel: 204-957-4671
Fax: 204-957-4253

Lawyer for the Applicant

HOW TO CAST YOUR VOTE IN SUPPORT OF THE ARRANGEMENT RESOLUTION

Time is running short. Vote your proxy form today, or no later than 9:00 a.m. (Manitoba time) on Tuesday, June 21, 2016. In order to ensure that your proxy is received in time for the Company Meeting to be held on Thursday, June 23, 2016, at 9:00 a.m. (Manitoba time), we recommend that you vote FOR the Arrangement Resolution in any of the following ways as soon as possible.

VOTING METHOD	NON-REGISTERED SHAREHOLDERS If your Company Shares are held with a broker, bank or other intermediary	REGISTERED SHAREHOLDERS If your Company Shares are held in your name and represented by a physical certificate
INTERNET	Visit **www.proxyvote.com** and enter your 16 digit control number located on the enclosed voting instruction form.	Visit **www.investorvote.com** and enter your 15 digit control number located on the enclosed form of proxy.
TELEPHONE	**Canada:** Call **1-800-474-7493** **U.S.:** Call **1-800-454-8683** and provide your 16 digit control number located on the enclosed voting instruction form	Use any touch-tone phone, call toll free in Canada and United States: **1-866-732-VOTE (8683)**
FACSIMILE	**Canada:** Fax your voting instruction form to or toll free to **905-507-7793** or toll free to **1-866-623-5305** in order to ensure that your vote is received before the deadline. **U.S.:** N/A	You may alternatively fax your proxy toll free in Canada and United States to: **1-866-249-7775**
MAIL	**N/A**	Computershare Investor Services Inc. 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1

If you have any questions or require any assistance in executing your proxy or voting instruction form, please call D.F. King at:

D.F. KING
A CSTOne Company

North American Toll Free Number: 1-800-398-2816
Outside North America, Banks, Brokers and Collect Calls: 1-201-806-7301
Email: inquiries@dfking.com
North American Toll Free Facsimile: 1-888-509-5907
Facsimile: 1-647-351-3176

Any questions and requests for assistance may be directed to Manitoba Telecom Inc.'s Proxy Solicitation and Information Agent:

North American Toll Free Phone:

1-800-398-2816

Banks, Brokers and collect calls: 201-806-7301
Toll Free Facsimile: 1-888-509-5907
Email: inquiries@dfking.com

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