



NOTICE OF CONVERSION PRIVILEGE

TO: CDS & CO., AS SOLE REGISTERED HOLDER OF THE CUMULATIVE REDEEMABLE FIRST PREFERRED SHARES, SERIES AK (the “Series AK Preferred Shares”) OF BCE INC.

NOTICE IS HEREBY GIVEN THAT:

1. Holders of BCE Inc. fixed-rate Series AK Preferred Shares have the right to convert all or part of their shares, effective on December 31, 2016, on a one-for-one basis, into floating-rate Cumulative Redeemable First Preferred Shares, Series AL of BCE Inc. (the “Series AL Preferred Shares”). In order to convert their shares, holders must exercise their right of conversion during the conversion period, which runs from December 1, 2016 until 5:00 p.m. (Montréal/Toronto time) on December 16, 2016.
2. Holders not wishing to convert or who do not comply with the instructions set out in paragraph 3 below by the appropriate deadline will, subject to paragraph 6 below, retain their Series AK Preferred Shares and, accordingly, will continue to receive a fixed quarterly dividend as described in paragraph 4 below. However, but subject to paragraph 6 below, on December 31, 2021, and every five years thereafter, holders of both Series AK Preferred Shares and Series AL Preferred Shares will have the right to convert their shares into shares of the other series.
3. In order to exercise its conversion right in respect of all or part of its Series AK Preferred Shares, the registered holder must provide a written notice thereof, accompanied by its Series AK Preferred Share certificates with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed, and deliver them, at the latest by 5:00 p.m. (Montréal/Toronto time) on December 16, 2016, to one of the following addresses of CST Trust Company:

By Mail:

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

By Personal Delivery, Courier or Registered Mail:

320 Bay Street, B1 Level
Toronto (Ontario) M5H 4A6
CANADA
Attention: Corporate Actions

Delivery may be done in person, by courier, by registered mail or by mail. However, if share certificates are delivered by courier, by registered mail or by mail, the registered shareholder must ensure that they are sent sufficiently in advance so that they are received by CST Trust Company by the above-mentioned deadline.

Beneficial holders who wish to exercise their conversion right should communicate with their broker or other nominee to obtain instructions for exercising such right during the conversion period.

4. As of December 31, 2016, the Series AK Preferred Shares will, should they remain outstanding, pay, on a quarterly basis, as and when declared by the Board of Directors of BCE Inc., a fixed cash dividend for the following five years that will be based on a fixed rate equal to the sum of: (a) the yield to maturity compounded semi-annually (the “Government of Canada Yield”), computed on December 1, 2016 in accordance with the articles of BCE Inc., of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years, and (b) 1.88%. The “Government of Canada Yield” computed on December 1, 2016 is 1.074%. Accordingly, the annual fixed dividend rate applicable to the Series AK Preferred Shares for the period of five years beginning on December 31, 2016 will be 2.954%.
5. As of December 31, 2016, the Series AL Preferred Shares, if issued, will pay, for each quarterly period beginning with the quarterly period from and including December 31, 2016 up to but excluding March 31, 2017, as and when declared by the Board of Directors of BCE Inc., a quarterly floating dividend rate equal to the “Floating Quarterly Dividend Rate” for such quarterly period. The “Floating Quarterly Dividend Rate” for any such quarterly period shall be equal to the rate, expressed as a percentage, equal to the sum of:

(a) the “T-Bill Rate”, calculated in accordance with the articles of BCE Inc. on the 30th day prior to the first day of the new quarterly period, and (b) 1.88%, calculated on the basis of the actual number of days in such quarterly period divided by 365. The “T-Bill Rate” means, for any quarterly period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable calculation date. The “Floating Quarterly Dividend Rate” computed on December 1, 2016 and applicable to the Series AL Preferred Shares for the quarterly period beginning on December 31, 2016 will be 0.58907% (annual rate of 2.389%, based on an initial T-Bill Rate of 0.509%).

6. After the end of the conversion period on December 16, 2016, if BCE Inc. determines that there would be less than 1,000,000 Series AK Preferred Shares outstanding after the conversion date (December 31, 2016), BCE Inc. will automatically convert all remaining Series AK Preferred Shares into Series AL Preferred Shares. However, if BCE Inc. determines that there would be less than 1,000,000 Series AL Preferred Shares outstanding after the conversion date, then no Series AK Preferred Shares will be converted into Series AL Preferred Shares.
7. For more information, please see BCE Inc.’s short form prospectuses dated June 28, 2011 and December 21, 2011, relating to the issue of the Series AK Preferred Shares, which are available at Sedar.com and on BCE Inc.’s website at BCE.ca. For any questions about the steps to be followed, please contact CST Trust Company at 1-800-561-0934, the transfer agent and registrar for BCE Inc.’s preferred shares.

DATED in Montréal, this 1st day of December, 2016.



Glen LeBlanc
Executive Vice-President and Chief Financial Officer
BCE Inc.