



## NOTICE OF CONVERSION PRIVILEGE

### TO: ALL REGISTERED HOLDERS OF CUMULATIVE REDEEMABLE FIRST PREFERRED SHARES, SERIES AD (the “Series AD Preferred Shares”) OF BCE INC.

NOTICE IS HEREBY GIVEN THAT:

1. Holders of floating-rate BCE Inc. Series AD Preferred Shares have the right to convert all or part of their shares, effective on March 1, 2018, on a one-for-one basis into fixed-rate Cumulative Redeemable First Preferred Shares, Series AC of BCE Inc. (the “Series AC Preferred Shares”). In order to convert their shares, holders must exercise their right of conversion during the conversion period which runs from January 15, 2018 until 5:00 p.m. (Eastern time) on February 19, 2018.
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 AD Preferred Shares and, accordingly, will continue to receive a monthly floating dividend as described in paragraph 4 below. However, but subject to paragraph 6 below, on March 1, 2023, and every five years thereafter, holders of both Series AD Preferred Shares and Series AC Preferred Shares will have the right to convert their shares into shares of the other series.
3. In order to exercise their conversion right in respect of all or part of their Series AD Preferred Shares, registered holders must provide a written notice thereof, accompanied by their Series AD 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. (Eastern time) on February 19, 2018, to one of the following addresses of AST Trust Company (Canada):

**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:**

1 Toronto Street, Suite 1200  
Toronto (Ontario) M5C 2V6  
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 shareholders must ensure that they are sent sufficiently in advance so that they are received by AST Trust Company (Canada) 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 March 1, 2018, the Series AD Preferred Shares, should they remain outstanding, will continue to pay a monthly floating dividend based on a dividend rate that will fluctuate over time between 50% and 100% of the Prime rate (“Prime”) for each month computed in accordance with the articles of BCE Inc. Accordingly, from March 1, 2018, the holders of Series AD Preferred Shares will continue to be entitled to receive floating adjustable cash dividends, as and when declared by the Board of Directors of BCE Inc., to be paid on the twelfth day of the subsequent month. The dividend rate will be adjusted upwards or downwards on a monthly basis by an Adjustment Factor (as described below) whenever the Calculated Trading Price, being the market price of the Series AD Preferred Shares computed in accordance with the articles of BCE Inc., is \$24.875 or less or \$25.125 or more, respectively. The Adjustment Factor for a month will be based on the Calculated Trading Price of the Series AD Preferred Shares for the preceding month determined in accordance with the following table:

If the Calculated Trading Price for the preceding month is:	The Adjustment Factor as a percentage of Prime shall be:
\$25.50 or more	– 4.00%
\$25.375 and less than \$25.50	– 3.00%
\$25.25 and less than \$25.375	– 2.00%
\$25.125 and less than \$25.25	– 1.00%
Greater than \$24.875 and less than \$25.125	nil
Greater than \$24.75 to \$24.875	+ 1.00%
Greater than \$24.625 to \$24.75	+ 2.00%
Greater than \$24.50 to \$24.625	+ 3.00%
\$24.50 or less	+ 4.00%

The maximum Adjustment Factor for any month will be  $\pm 4.00\%$  of the average Prime rate for the month.

Based on the foregoing, the annual floating dividend rate for any month shall be the rate of interest expressed as a percentage per annum equal to: (a) Prime for such month, multiplied by (b) the Designated Percentage for such month, with the Designated Percentage being the Adjustment Factor for such month plus the Designated Percentage for the preceding month. The annual floating dividend rate applicable for a month will in no event be less than 50% of Prime nor will it be greater than Prime.

The following formula illustrates the manner of computing the annual floating dividend rate applicable to the month of March 2018:

$$\text{Annual floating dividend rate for March 2018} = \text{Prime for March 2018} \times \text{Designated Percentage for March 2018}^*$$

\* The Designated Percentage for the month of September 2017 is the sum of:

- (a) the Adjustment Factor for the month of March 2018 based on the Calculated Trading Price for the month of February 2018; and
- (b) the Designated Percentage for the month of February 2018.

5. As of March 1, 2018, the Series AC Preferred Shares, should they remain outstanding, will 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 determined by BCE Inc. on February 5, 2018 but which shall not be less than 80% of the five-year Government of Canada Yield (as defined in BCE Inc.'s articles) compounded semi-annually and computed on February 5, 2018 by two investment dealers appointed by BCE Inc. The annual dividend rate applicable to the Series AC Preferred Shares will be published on February 7, 2018 in the national edition of The Globe and Mail, the Montreal Gazette and Le Devoir and will be posted on BCE Inc.'s website at [www.bce.ca](http://www.bce.ca).
6. After the end of the conversion period on February 19, 2018, if BCE Inc. determines that there would be less than 2,500,000 Series AD Preferred Shares outstanding after the conversion date (March 1, 2018), BCE Inc. will automatically convert all remaining Series AD Preferred Shares into Series AC Preferred Shares. However, if BCE Inc. determines that there would be less than 2,500,000 Series AC Preferred Shares outstanding after the conversion date, then no Series AD Preferred Shares will be converted into Series AC Preferred Shares.
7. For any questions about the steps to be followed, please contact AST Trust Company (Canada) at 1-800-561-0934, the transfer agent and registrar for BCE Inc.'s preferred shares.

DATED at Montréal, this 11<sup>th</sup> day of January, 2018.



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