

BCE INC
Form 6-K
April 24, 2007

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SIGNATURE

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**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
Pursuant to Rule 13a-16 or 15d-16 under
the Securities Exchange Act of 1934**

For the month of: **April 2007**

Commission File Number: **1-8481**

BCE Inc.

(Translation of Registrant's name into English)

1000, rue de La Gauchetière Ouest, Bureau 3700, Montréal, Québec H3B 4Y7, (514) 870-8777

(Address of principal executive offices)

Indicate by check mark whether the Registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark whether the Registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If Yes is marked, indicate below the file number assigned to the Registrant in connection with Rule 12g3-2(b):
82-_____.

Notwithstanding any reference to BCE's Web site on the World Wide Web in the documents attached hereto, the information contained in BCE's site or any other site on the World Wide Web referred to in BCE's site is not a part of this Form 6-K and, therefore, is not filed with the Securities and Exchange Commission.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BCE Inc.

(signed) Patricia A. Olah

Patricia A. Olah

Corporate Secretary and Lead Governance
Counsel

Date: April 24, 2007

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Notice of
2007 Annual and Special Shareholder Meeting
and Management
Proxy Circular

Our annual and special shareholder meeting
will be held
at 9:30 a.m. (Eastern time) on Wednesday,
June 6, 2007
at Centre Mont-Royal, 2200 Mansfield Street,
Montréal, Québec
in the auditorium Le Grand Salon.

A live webcast of the meeting will be available
on our
website at www.bce.ca.

As a shareholder, you have the right to vote
your shares,
either by proxy or in person at the meeting.

Your vote is important

This document tells you who can vote, what
you will be
voting on and how to exercise your right to
vote
your shares. Please read it carefully.

BCE Inc.

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Letter from the Chair of the board and
the President and Chief Executive Officer

Dear fellow shareholder:

You are invited to attend this year's annual and special shareholder meeting. It will be held on Wednesday, June 6, 2007 at 9:30 a.m. (Eastern time), at Centre Mont-Royal, 2200 Mansfield Street, Montréal, Québec, in the auditorium Le Grand Salon. If you cannot attend the meeting in person, you can view a live webcast on our website at www.bce.ca.

As a shareholder, you have the right to vote your shares on all items that come before the meeting. This circular tells you about these items and how to exercise your right to vote. In addition to information relating to the special business you will be voting on, you will find in this circular information about the nominated directors, the auditors, the proposed amendments to equity-based compensation plans, our corporate governance practices and compensation of our directors and officers.

This year, in addition to the business mentioned above, you will be asked to vote on a special resolution approving the name change of BCE Inc. to Bell Canada Inc. This proposal represents the culmination of a series of strategic initiatives that we have undertaken over the past few years to rationalize the holding company structure of BCE and simplify its operations in order to put the focus where it belongs – on our core communications business. Eliminating our holding company operations will save corporate costs and enable further cost efficiencies by doing away with the need for duplicate audited financial statements and redundant filing costs.

On April 17, we announced that the company is reviewing its strategic alternatives with a view to further enhancing shareholder value. As part of that review, we also announced that we have entered into discussions with a group, led by major Canadian pension funds, to explore the possibility of taking the company private.

We cannot be sure that these discussions will lead to any specific action being taken. But we are committed to maximizing value for our shareholders by considering a range of alternatives.

We look forward to seeing you at this year's annual and special meeting.

Sincerely,

**RICHARD J.
CURRIE**

Chair of the
board

MICHAEL J. SABIA

President and Chief Executive Officer

April 17, 2007

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Notice of 2007 annual and special shareholder meeting

You are invited to our annual and special shareholder meeting

When

Wednesday, June 6, 2007

9:30 a.m. (Eastern time)

Where

Auditorium Le Grand Salon

Centre Mont-Royal

2200 Mansfield Street

Montréal, Québec

Webcast

A live webcast of the meeting will be available on our website at www.bce.ca.

What the meeting is about

We will be covering five items at the meeting:

1. receiving the financial statements for the year ended December 31, 2006, including the auditors' report
2. electing directors who will serve until the end of the next annual shareholder meeting
3. appointing the auditors who will serve until the end of the next annual shareholder meeting
4. considering and, if thought advisable, approving, with or without variation, a special resolution (the full text of which is reproduced as Schedule A to the accompanying Circular) to approve the name change of BCE as described in the accompanying Circular
5. considering and, if thought advisable, approving, with or without variation, a resolution (the full text of which is reproduced as Schedule B to the accompanying Circular) to approve amendments to equity-based compensation plans as described in the accompanying Circular.

The meeting may also consider other business that properly comes before the meeting.

You have the right to vote

You are entitled to receive notice of and vote at our annual and special shareholder meeting, or any adjournment, if you were a holder of common shares of the Corporation on April 16, 2007.

You have the right to vote your shares on items 2 to 5 listed above and any other items that may properly come before the meeting or any adjournment.

Your vote is important

As a shareholder, it is very important that you read this material carefully and then vote your shares, either by proxy or in person at the meeting.

The following pages tell you more about how to exercise your right to vote your shares.

Admission to meeting

You will need an admission ticket to enter the meeting. Your ticket will be provided to you upon registration on June 6, 2007.

By order of the Board,

PATRICIA A. OLAH

Corporate Secretary and Lead Governance Counsel

Montréal, Québec
April 13, 2007

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Management **proxy circular**

In this document, *you*, *your* and *shareholder* refer to the common shareholders of BCE. *We*, *us*, *our*, *Corporation*, and *BCE* refer to BCE Inc. **The information in this document is at April 13, 2007, unless otherwise indicated.**

This management proxy circular (Circular) is for our annual and special shareholder meeting on June 6, 2007 (meeting). As a shareholder, you have the right to vote your shares on electing directors, appointing the auditors, approving the special resolution with respect to the name change of BCE (the full text of which is reproduced as Schedule A), approving a resolution with respect to amendments to equity-based compensation plans (the full text of which is reproduced at Schedule B), and any other items that may properly come before the meeting or any adjournment.

To help you make an informed decision, please read this Circular and our annual report for the year ended December 31, 2006 which you can access on our website at www.bce.ca. This Circular tells you about the meeting, the nominated directors, the proposed auditors, the board's committees, our corporate governance practices, compensation of directors and officers, the proposed name change of BCE and the proposed amendments to equity-based compensation plans. The annual report gives you a review of our activities for the past year and includes a copy of our annual financial statements and annual management's discussion and analysis of financial condition and results of operations (MD&A).

Your proxy is solicited by management. In addition to solicitation by mail, our employees or agents may solicit proxies by telephone or other ways at a nominal cost. We have retained Georgeson Shareholder Communications Canada Inc. (Georgeson) to solicit proxies for us in Canada and the United States at an estimated cost of \$55,000. We pay the costs of these solicitations.

If you have any questions about any of the information in this document, please call Georgeson at 1-866-413-8829 for service in English or French.

Approval of this Circular

The board of directors approved the contents of this Circular and authorized it to be sent to each shareholder who is eligible to receive notice of and vote his or her shares at our annual and special shareholder meeting, and to each director and to the auditors.

PATRICIA A. OLAH

Corporate Secretary and Lead Governance Counsel

Montréal, Québec

April 13, 2007

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About **voting your shares**

YOUR VOTE IS IMPORTANT AS A SHAREHOLDER, IT IS VERY IMPORTANT THAT YOU READ THIS INFORMATION CAREFULLY AND THEN VOTE YOUR SHARES, EITHER BY PROXY OR IN PERSON AT THE MEETING.

Voting by proxy

This is the easiest way to vote. Voting by proxy means that you are giving the person or people named on your proxy form (proxyholder) the authority to vote your shares for you at the meeting or any adjournment. A proxy form is included in this package.

You can choose from five different ways to vote your shares by proxy:

1. by telephone
2. on the Internet
3. by mail
4. by fax
5. by appointing another person to go to the meeting and vote your shares for you.

The directors who are named on the proxy form will vote your shares for you, unless you appoint someone else to be your proxyholder. If you appoint someone else, he or she must be present at the meeting to vote your shares.

If you are voting your shares by proxy, our transfer agent, Computershare Trust Company of Canada (Computershare), or other agents we appoint, **must receive your completed proxy form by 4:45 p.m. (Montréal time) on Tuesday, June 5, 2007.**

Please follow the instructions below based on whether you are a registered or non-registered shareholder.

You are a registered shareholder

if your name appears on your share certificate. Your proxy form tells you whether you are a registered shareholder.

You are a non-registered (or beneficial) shareholder

if your bank, trust company, securities broker or other financial institution holds your shares for you (your nominee).

For most of you, your proxy form tells you whether you are a non-registered (or beneficial) shareholder.

If you are not sure whether you are a registered or non-registered shareholder, please contact Computershare.

Computershare Trust Company of Canada

100 University Avenue

9th Floor

Toronto, Ontario, Canada M5J 2Y1

Telephone

1-800-561-0934 (toll free in Canada and the United States)

514-982-7555 (in the Montréal area or from outside Canada and the United States)

Fax

1-888-453-0330 (toll free in Canada and the United States)

416-263-9394 (outside Canada and the United States)

E-mail

bce@computershare.com

How to vote registered shareholders

A. By proxy

1 By telephone

§ Call 1-866-732-8683 (toll free in Canada and the United States) or 312-588-4290 (International Direct Dial) from a touch-tone phone and follow the instructions.

§ You will need your (i) control number, (ii) holder account number and (iii) proxy access number. You will find these three numbers on the information sheet attached to your proxy form.

If you vote by telephone, you cannot appoint anyone other than the directors named on your proxy form as your proxyholder.

2 On the Internet

§ Go to Computershare's website at www.investorvote.com and follow the instructions on screen.

§ You will need your (i) control number, (ii) holder account number and (iii) proxy access number. You will find these three numbers on the information sheet attached to your proxy form.

3 By mail

§ Detach the proxy form from the information sheet, complete pages 1 and 2 of the proxy form, sign and date your proxy form, and return it in the envelope we have provided.

§ Please see *Completing the proxy form* for more information.

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4 By fax

§ Detach the proxy form from the information sheet, complete pages 1 and 2, sign and date your proxy form, and send both pages (in one transmission) by fax to 1-866-249-7775 (toll free in Canada and the United States) or 416-263-9524 (outside Canada and the United States).

§ Please see *Completing the proxy form* for more information.

5 By appointing another person to go to the meeting and vote your shares for you

§ This person does not have to be a shareholder.

§ **Strike out the four names that are printed on the proxy form and write the name of the person you are appointing in the space provided. Complete your voting instructions, date and sign the form, and return it to Computershare as instructed.**

§ Make sure that the person you appoint is aware that he or she has been appointed and attends the meeting.

§ At the meeting, he or she should see a Computershare representative at the table marked Alternate attorneys/External proxyholders.

§ Please see *Completing the proxy form* for more information.

B. In person at the meeting

You do not need to complete or return your proxy form.

You should see a Computershare representative before entering the meeting to register your attendance at the meeting.

Voting in person at the meeting will automatically cancel any proxy you completed and submitted earlier.

How to vote non-registered shareholders

1 By proxy

§ Your nominee is required to ask for your voting instructions before the meeting. Please contact your nominee if you did not receive a request for voting instructions or a proxy form in this package.

§ In most cases, you will receive a voting instruction form that allows you to provide your voting instructions by telephone, on the Internet, by mail or by fax. If you want to provide your voting instructions on the Internet, go to Broadridge Financial Solutions, Inc.'s website at www.proxyvote.com and follow the instructions on screen. You will need your 12-digit control number, which you will find on your voting instruction form.

§ Alternatively, you may be a non-registered shareholder who will receive from your nominee a voting instruction form which:

is to be completed and returned, as directed in the instructions provided OR

has been pre-authorized by your nominee indicating the number of shares to be voted, which is to be completed, dated, signed and returned to Computershare, by mail or fax.

2 In person at the meeting

§ We do not have access to the names or holdings of our non-registered shareholders. That means you can only vote your shares in person at the meeting if you have previously appointed yourself as the proxyholder for your common shares by printing your name in the space provided on the voting instruction form and submitting it as directed on the form. **Your voting instructions must be received in sufficient time to allow your voting instruction form to be forwarded to Computershare by 4:45 p.m. (Montréal time) on Tuesday, June 5, 2007.**

§ Your vote will be taken and counted at the meeting.

§ Prior to the meeting, you should see a representative of Computershare at the table marked Alternate attorneys/External proxyholders.

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Completing the proxy form

You can choose to vote For, Against or Withhold, depending on the items listed on the proxy form.

When you sign the proxy form, you authorize Mr. R.J. Currie, Mr. M.J. Sabia, Ms. J. Maxwell or Mr. A. Bérard, who are all directors, to vote your shares for you at the meeting according to your instructions. **If you return your proxy form and do not tell us how you want to vote your shares, your vote will be counted:**

§ **FOR electing the nominated directors who are listed in the Circular**

§ **FOR appointing Deloitte & Touche LLP as auditors**

§ **FOR the approval of the name change of BCE**

§ **FOR the approval of amendments to the equity-based compensation plans.**

Your proxyholder will also vote your shares as he or she sees fit on any other matter that may properly come before the meeting.

If you are appointing someone else to vote your shares for you at the meeting, strike out the four names of the directors and write the name of the person voting for you in the space provided. **If you do not specify how you want your shares voted, your proxyholder will vote your shares as he or she sees fit on each item and on any other matter that may properly come before the meeting.**

If you are an individual shareholder, you or your authorized attorney must sign the form. If you are a corporation or other legal entity, an authorized officer or attorney must sign the form.

If you need help completing your proxy form, please contact Georgeson at 1-866-413-8829 for service in English or in French.

Changing your vote

You can revoke a vote you made by proxy by:

§ voting again by telephone or on the Internet before **4:45 p.m. (Montréal time) on Tuesday, June 5, 2007**

§ completing a proxy form that is dated later than the proxy form you are changing and mailing it or faxing it to Computershare so that it is received before **4:45 p.m. (Montréal time) on Tuesday, June 5, 2007**

§ sending a notice in writing from you or your authorized attorney to our Corporate Secretary so that it is received before **4:45 p.m. (Montréal time) on Tuesday, June 5, 2007**

§ giving a notice in writing from you or your authorized attorney to the Chair of the meeting, at the meeting or any adjournment.

How the votes are counted

You have one vote for each common share you hold on April 16, 2007. As at April 13, 2007, 801,369,842 common shares were entitled to be voted at the meeting.

The election of directors (subject to our majority voting guidelines – see *What the meeting will cover Electing directors*), appointment of the auditors and amendments to the equity-based compensation plans will each be determined by a majority of votes cast at the meeting by proxy or in person. The special resolution concerning the name change of BCE will be subject to the affirmative vote of not less than two thirds of the votes cast at the meeting by proxy or in person.

Computershare counts and tabulates the votes. It does this independently of us to make sure that the votes of individual shareholders are confidential. Computershare refers proxy forms to us only when:

§ it is clear that a shareholder wants to communicate with management

§ the validity of the form is in question, or

§ the law requires it.

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What the **meeting will cover**

Five items will be covered at the meeting:

1. receiving our financial statements for the year ended December 31, 2006, including the auditors' report
2. electing directors who will serve until the end of the next annual shareholder meeting
3. appointing the auditors who will serve until the end of the next annual shareholder meeting
4. considering and, if thought advisable, approving, with or without variation, a special resolution (the full text of which is reproduced as Schedule A to this Circular) to approve the name change of BCE as described in this Circular
5. considering and, if thought advisable, approving, with or without variation, a resolution (the full text of which is reproduced as Schedule B to this Circular) to approve amendments to the equity-based compensation plans as described in this Circular.

The meeting may also consider other business that properly comes before it. As of the date of this Circular, management is not aware of any changes to these items, and does not expect any other items to be brought forward at the meeting. If there are changes or new items, your proxyholder can vote your shares on these items as he or she sees fit.

1. Receiving our financial statements

We will place before the meeting our financial statements, including the auditors' report, for the year ended December 31, 2006. The financial statements are included in our 2006 annual report, which you can access on our website at www.bce.ca.

2. Electing directors

You will be electing a board of directors (board) of 15 members. Please see *About the nominated directors* for more information. Directors appointed at the meeting will serve until the end of the next annual shareholder meeting, or until their earlier resignation.

All of the individuals nominated for election as directors are currently members of the board and each was elected at our 2006 annual shareholder meeting by at least a majority of the votes cast.

We adopted in 2006 new guidelines with respect to election of directors. Notwithstanding the Corporation's By-Laws and the *Canada Business Corporations Act* (CBCA), at any shareholders' meeting at which directors are to be elected in an uncontested election (i.e., the election does not involve a proxy battle), if any director nominee receives a greater number of votes withheld from his or her election than votes for such election, then such director nominee must, no later than 10 days following the receipt of the audited and final scrutineer's report relating to such meeting (vote results), submit to the board his or her resignation letter, which will take effect only upon the acceptance of such resignation by the board.

The board, upon the recommendation of the Corporate Governance Committee (CGC), will within 90 days following the public disclosure of the vote results determine either to accept or not the subject director's offer to resign, and the board will cause the Corporation to promptly publicly disclose, via press release, the board's determination, including, in cases where the board has determined not to accept

the resignation, the reasons therefor. It is generally expected that the CGC will recommend that the board accept such resignation, except in extraordinary circumstances.

If you do not specify how you want your shares voted, the directors named as proxyholders in the enclosed proxy form intend to cast the votes represented by proxy at the meeting FOR the election as directors of the nominated directors in this circular.

3. Appointing the auditors

The board, on the advice of the audit committee, recommends that Deloitte & Touche LLP be re-appointed as auditors. Deloitte & Touche LLP and its predecessors have been the auditors of the Corporation since it was created in 1983. The audit firm appointed at the meeting will serve until the end of the next annual shareholder meeting.

If you do not specify how you want your shares voted, the directors named as proxyholders in the enclosed proxy form intend to cast the votes represented by proxy at the meeting FOR the appointment of Deloitte & Touche LLP as auditors.

4. Approving the name change of BCE

You will be asked to approve a change of BCE's name from BCE Inc. to Bell Canada Inc. or, if such name is not accepted by the relevant governmental, regulatory and self-regulatory authorities, such other similar name as may be allowed, and to authorize the board, in its discretion, to complete, postpone or abandon this change of name. This name change represents the culmination of a series of strategic initiatives undertaken over the last few years to simplify our corporate structure and eliminate our holding company operations.

The text of the special resolution to be considered at the meeting approving the name change is set out in Schedule A. To take effect, this resolution must be approved by at least two thirds of the votes cast by the holders of common shares present in person or represented by proxy at the meeting.

The board recommends that shareholders vote FOR the approval of the name change of BCE.

If you do not specify how you want your shares voted, the directors named as proxyholders in the enclosed proxy form intend to cast the votes represented by proxy at the meeting according to the board's recommendations noted in the above paragraph.

5. Approving the amendments to equity-based compensation plans

You will be asked to approve certain amendments to the Long-Term Incentive (Stock Option) Program (1999) (Stock Option Plan), the Employees' Savings Plan (1970) (ESP Plan) and the Employees' Savings Plan (2000) (U.S. ESP Plan, and collectively with ESP Plan, ESP Plans and with Stock Option Plan, Plans).

In 2006, the Toronto Stock Exchange (TSX) introduced new rules affecting the Plans. The Corporation would like to implement changes to the Plans to address these rules and must amend the Plans to do so. The

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amendments are described in this section and have been conditionally approved by the board and by the TSX, subject to shareholder approval.

Amendment procedures The TSX strongly advises that stock option plans have provisions that outline the type of amendments that require shareholder approval and those a company can make without shareholder approval. These provisions are called amendment procedures. Before the TSX changed its rules, shareholder approval was required for a plan or option amendment if the TSX considered the amendment to be material. The objective of the new rules is to allow shareholders to determine the types of plan or option amendments that require shareholder approval before a company can make them. Under the new rules, if a plan does not have amendment procedures by June 30, 2007, then every amendment, even of a minor housekeeping nature, will require specific shareholder approval.

Proposed amendment procedures relating to the Stock Option Plan

The proposed amendment procedures would require shareholder approval prior to the following changes to the Stock Option Plan or options granted under it:

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

Examples of the types of changes to the Stock Option Plan or options granted under it that we could make without shareholder approval include:

- § amending the process by which an optionee who wishes to exercise his or her option can do so, including the required form of payment for the shares being purchased, the form of exercise notice and the place where such payments and notices must be delivered
- § amending the identity of the Stock Option Plan participants (i.e., the identity of the persons to whom the options are granted or could be granted), excluding non-employee directors
- § amending the termination provisions for the Stock Option Plan or for an option granted under it as long as the change does not otherwise contravene any other provision of the Stock Option Plan or extend an outstanding option's expiry date
- § amending the provisions relating to the effect of termination, cessation or death of an optionee on the right to exercise options
- § amending the provisions on the transferability of options for normal estate settlement purposes
- § adding a cashless exercise feature, payable in cash or securities, which provides for a reduction of the Stock Option Plan reserve for an amount equal to the total number of underlying securities

§ delegating any or all of the powers of the committee of the board to administer the Stock Option Plan to senior officers of the Corporation

§ proceeding with housekeeping changes (such as a change to correct an immaterial inconsistency or clerical error or omission or a change to update a routine administrative provision), and

§ proceeding with any change deemed necessary or desirable to comply with applicable law or regulatory requirements.

Proposed amendment procedures relating to the ESP Plans

The proposed amendment procedures would require shareholder approval for the following changes to the ESP Plans:

§ amending the limit on employee contribution

§ amending the offering period to more than 27 months

§ introducing a discount purchase price

§ amending the maximum employer contribution

§ increasing the number of common shares issuable pursuant to the ESP Plans, and

§ allowing for a potential dilution associated with the ESP Plans, together with all other security-based compensation arrangements, of more than ten percent of outstanding common shares of the Corporation.

Examples of the types of changes to the ESP Plans that we could make without shareholder approval:

§ amending the process by which an eligible employee participates in the ESP Plans

§ amending the definition of an eligible employee under the ESP Plans

§ amending the termination provisions for the ESP Plans

§ amending the terms of the ESP Plans relating to the effect of leave of absence, long-term disability, lay-off or death of an eligible employee under the ESP Plans

§ amending the provisions on the transferability of the rights under the ESP Plans for normal estate settlement purposes

§ proceeding with housekeeping changes (such as a change to correct an immaterial inconsistency or clerical error or omission or a change to update a routine administrative provision), and

§ proceeding with any change deemed necessary or desirable to comply with applicable law or regulatory requirements.

Blackout periods

The TSX recognizes that, for reasons of good corporate governance, many public companies have internal policies prohibiting certain employees from buying or selling the company's securities during specific periods. The times that these restricted employees are not permitted to trade in a company's securities are often called "blackout periods." Trading restriction policies are not only a component of good corporate governance, they also assist in fostering compliance with legal requirements that prohibit people from trading in a public company's securities when they have material information about the company that has not yet been released to the public. A blackout period is designed to prevent a person from trading on material information that is not yet available to other shareholders. For example, a blackout period occurs during a specified period before and after the day that a company announces its quarterly or annual

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financial results. A blackout period might also arise during the time that a company has material undisclosed information about an important potential transaction it might be considering, such as a significant merger or acquisition. For us, a restricted employee is prohibited from buying or selling the Corporation's securities at all times except for a short period of time (about 24 days) after the release of our quarterly financial results. However, if a restricted employee has undisclosed material information during one of the four permitted window trading periods in each calendar year, then the employee cannot trade in the Corporation's securities until that information has been disclosed. The TSX recognizes these blackout periods might, in the case of options, result in an unintended penalty to employees who are prohibited from buying or selling securities of their company during that period because of their company's internal trading policies. As a result, the TSX now provides a framework for extending options that would expire during a blackout period. We propose adopting the TSX framework so that options issued under the Stock Option Plan expire at the later of the expiry date set for the option or, if that date occurs during a blackout period or shortly after it, 10 business days after that blackout period ends. This change has no additional dilutive impact on our common shares and no adverse impact on us or our shareholders.

Amendments regarding exercise prices

The Stock Option Plan currently provides that the subscription price for options be at least equal to the closing price of the common shares on the day before the grant becomes effective.

In line with the Corporation's prudent approach to governance and to the use of options, notably in respect of the process for determining exercise prices, the proposed amendments specify that the exercise price of an option will be the higher of the volume weighted average of the trading price per common share of a board lot of common shares traded on the TSX: (i) on the trading day prior to the day the grant becomes effective or, if at least one board lot of common shares has not been traded on such day, then the closing price for the next preceding day for which at least one board lot was so traded; and (ii) for the five consecutive trading days ending on the trading day prior to the day the grant becomes effective.

Ancillary modifications

Set out below are some other ancillary modifications proposed to be made to the Stock Option Plan and to the ESP Plans to align such Plans with current TSX requirements:

- § To replace the current requirement that the aggregate number of common shares issuable upon the exercise of options granted to all insiders under the Stock Option Plan not exceed fifty percent (50%) of the total aggregate number of common shares underlying the options granted and outstanding under the Stock Option Plan, with the following requirements: (1) the number of common shares issuable to insiders in aggregate, at any time, pursuant to the Stock Option Plan and any other securities-based compensation arrangement cannot exceed 10% of the common shares issued and outstanding; and (2) the number of common shares issued to insiders within any one-year period pursuant to the Stock Option Plan and any other securities-based compensation arrangement cannot exceed 10% of the common shares issued and outstanding.
- § To replace the current requirements that (a) the aggregate number of common shares issuable under each one of the ESP Plans within any one-year period, combined with the number of common shares issued within the same one-year period under any other securities-based compensation arrangement, shall not exceed 10% of all outstanding common shares at any time; and (b) that the number of common shares which may be issued under each one of the ESP Plans to any one insider and to such insider's associates, within any one-year period, combined with the number of common shares issued to such insider and to his/her associates within the same one-year period under any other securities-based compensation arrangement, shall not exceed 5% of all outstanding common shares at any time, with the following requirements: (1) the number of common shares issuable to insiders in aggregate, at any time, pursuant to each one of the ESP Plans and any other securities-based compensation arrangement cannot exceed 10% of the common shares issued and outstanding; and (2) the number of common shares issued to insiders within any one-year period pursuant to each one of the ESP Plans and any other securities-based compensation arrangement cannot exceed 10% of the common shares issued and outstanding.

A description of the key terms of the Plans is provided at pages 32 to 34 of this Circular in respect of the Stock Option Plan and at page 41 of this Circular in respect of the ESP Plan and U.S. ESP Plan.

The text of the ordinary resolution to be considered at the meeting approving the proposed amendments to the Plans is set out in Schedule B. To take effect, this resolution must be approved by a majority of the votes cast by the holders of common shares present in person or represented by proxy at the meeting.

The board recommends that shareholders vote FOR the approval of the proposed amendments to the Plans.

If you do not specify how you want your shares voted, the directors named as proxyholders in the enclosed proxy form intend to cast the votes represented by proxy at the meeting according to the board's recommendations noted in the above paragraph.

Other business

Following the conclusion of the formal business to be conducted at the meeting, we will:

- § report on recent events that are significant to our business

- § report on other items that are of interest to our shareholders

- § invite questions and comments from shareholders.

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About the **nominated directors**

The table below tells you about the people who have been nominated for election as directors and the voting securities that they own directly or indirectly. Generally, all non-management directors sit on at least one board committee. We have also included other directorships held by the nominated directors during the past five years with public companies that are currently listed on an exchange. Information with respect to other public board directorships is given as of March 7, 2007. Please note that our directors' shareholdings in common shares of the Corporation shown in 2007 decreased as a result of the BCE Plan of Arrangement concluded on July 10, 2006, under which our shareholders received, for each common share of the Corporation: (i) 0.915 of a consolidated common share of the Corporation, and (ii) 0.0725 units of Bell Aliant Regional Communications Income Fund (Bell Aliant). As well, the numbers of deferred share units of the Corporation were increased by 1.174% in July 2006 to preserve the value of deferred share units before and after the BCE Plan of Arrangement.

Also see *Corporate Governance committee report Directors compensation Directors share unit plan* for a description of our deferred share unit plan for non-management directors.

CGC = Corporate Governance Committee, MRCC = Management Resources and Compensation Committee, PFC = Pension Fund Committee

André Bérard, o.c. Québec, Canada

CORPORATE DIRECTOR (SINCE MARCH 2004)

Mr. Bérard, was Chair of the board of National Bank of Canada (chartered bank) from 2002 to March 2004, and Chair of the board and Chief Executive Officer of National Bank of Canada from 1990 to March 2002. He holds a Fellows Diploma of the Institute of Canadian Bankers and was Chair of the Executive Council of the Canadian Bankers Association from 1986 to 1988. He was appointed an Officer of the Order of Canada in 1995.

DATE JOINED BOARD & ATTENDANCE DURING 2006			OWNERSHIP AT APRIL 13, 2007	OWNERSHIP AT APRIL 12, 2006
January 2003	REGULARLY SCHEDULED	SPECIAL	1,120 common shares 22,537 deferred share units	1,225 common shares 16,529 deferred share units
	8/8	6/7	88 Bell Aliant units	

OTHER PUBLIC BOARD DIRECTORSHIPS DURING THE LAST FIVE YEARS

COMMITTEE MEMBERSHIP & ATTENDANCE DURING 2006

PRESENT BOARDS	PAST BOARDS	REGULARLY	SPECIAL
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						SCHEDULED	
Bombardier Inc.	2004 present	Kruger Inc.	2002	2005	Audit Committee	6/6	5/6
Groupe BMTC Inc.	2001 present	LMS Medical Systems Ltd.	2004	2005			
Saputo Inc.	1997 present	National Bank of Canada	1985	2004			
Tembec Inc.	2006 present	Société financière Bourgie Inc.	1997	2005	CGC	4/4	2/2
TransForce Inc.	2003 present	Vasogen Inc.	2000	2006			

Ronald Alvin Brenneman ⁵ Alberta, Canada

PRESIDENT AND CHIEF EXECUTIVE OFFICER, PETRO-CANADA (PETROLEUM COMPANY)
(SINCE JANUARY 2000)

Before January 2000, Mr. Brenneman spent more than 30 years with Imperial Oil Limited and its parent company Exxon Corporation (both petroleum companies) where he completed his career as General Manager Corporate Planning. He is a member of the board of the Canadian Council of Chief Executives.

DATE JOINED BOARD & ATTENDANCE DURING 2006			OWNERSHIP AT APRIL 13, 2007	OWNERSHIP AT APRIL 12, 2006
November 2003	REGULARLY SCHEDULED	SPECIAL	37,654 common shares 18,625 deferred share units	23,613 common shares ⁶ 12,832 deferred share units
	8/8	7/7	13,780 Bell Aliant units	

OTHER PUBLIC BOARD DIRECTORSHIPS DURING THE LAST FIVE YEARS

PRESENT BOARDS

Bank of Nova Scotia 2000 present Petro-Canada

2000 present

COMMITTEE MEMBERSHIP & ATTENDANCE DURING 2006

REGULARLY SCHEDULED SPECIAL

MRCC 4/4

5/5

PFC* 2/2

1/2

* was appointed to PFC on June 7, 2006

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Richard James Currie, o.c. ^{1, 5} Ontario, Canada

CHAIR OF THE BOARD, BCE AND BELL CANADA (SINCE APRIL 2002)

Mr. Currie was President and a director of George Weston Limited (food distribution, retail and production company) from 1996 to May 2002 and President and a director of Loblaw Companies Limited (grocery chain) from 1976 to January 2001. In 1997, Mr. Currie was appointed a Member of the Order of Canada and was promoted to Officer in 2004. In 2001 he was elected Canada's Outstanding CEO of the Year and in 2003 entered the Canadian Business Hall of Fame. In 2004, he received the McGill University Management Achievement Award and was inducted as Fellow of the Institute of Corporate Directors.

DATE JOINED BOARD & ATTENDANCE DURING 2006			OWNERSHIP AT APRIL 13, 2007	OWNERSHIP AT APRIL 12, 2006
May 1995	REGULARLY SCHEDULED	SPECIAL	1,024,086 common shares 30,238 deferred share units	1,030,303 common shares 28,574 deferred share units
	8/8	7/7	74,406 Bell Aliant units	

OTHER PUBLIC BOARD DIRECTORSHIPS DURING THE LAST FIVE YEARS

COMMITTEE MEMBERSHIP & ATTENDANCE DURING 2006

PRESENT BOARDS	PAST BOARDS	REGULARLY SCHEDULED		SPECIAL		
Petro-Canada	2003 present CAE Inc. George Weston Limited Imperial Oil Limited Staples, Inc	2001	2006	MRCC(Chair)	4/4	5/5
		1975	2002			
		1987	2002			
		2002	2006			

Anthony Smithson Fell, o.c. ^{1, 5} Ontario, Canada

CHAIRMAN OF THE BOARD, RBC DOMINION SECURITIES LIMITED (INVESTMENT BANK) (SINCE DECEMBER 1999)

Mr. Fell was the Chairman of the board and Chief Executive Officer of RBC Dominion Securities Limited from 1992 to December 1999. Mr. Fell is also a director and Chair of the board of Munich Reinsurance Company of Canada. He was also, until June 2005, Chairman of the University Health Network Trustees. He was appointed an Officer of the Order of Canada in 2001.

DATE JOINED BOARD & ATTENDANCE DURING 2006			OWNERSHIP AT APRIL 13, 2007	OWNERSHIP AT APRIL 12, 2006
January 2002	REGULARLY SCHEDULED	SPECIAL	91,500 common shares 23,781 deferred share units	100,000 common shares 17,705 deferred share units
	8/8	7/7	7,250 Bell Aliant units	

OTHER PUBLIC BOARD DIRECTORSHIPS DURING THE LAST FIVE YEARS

COMMITTEE MEMBERSHIP & ATTENDANCE DURING 2006

PRESENT BOARDS					REGULARLY SCHEDULED			SPECIAL		
CAE Inc.	2000 present	Loblaw Companies Limited	2001	present	Audit Committee*	3/3		2/2		
					MRCC	4/4		4/5		
					CGC*	3/3		N/A		

* was appointed to audit committee and stepped down from CGC on June 7, 2006

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Donna Soble Kaufman, Ontario, Canada
CORPORATE DIRECTOR (SINCE JULY 1997) AND LAWYER

Mrs. Kaufman was formerly Chair and Chief Executive Officer of Selkirk Communications Ltd. (communications company) from 1988 to 1989 and a partner of Stikeman Elliott, LLP (law firm) from 1985 until 1997. In 2001, she was named Fellow of the Institute of Corporate Directors. She is also a director of Historica, a private-sector-led education initiative to promote knowledge of Canadian history and heritage, and Baycrest, a centre for elderly and specialized care.

DATE JOINED BOARD & ATTENDANCE DURING 2006			OWNERSHIP AT APRIL 13, 2007²		OWNERSHIP AT APRIL 12, 2006²	
June 1998	REGULARLY SCHEDULED	SPECIAL	3,049 common shares	23,449 deferred share units	2,000 common shares	19,775 deferred share units
	8/8	7/7	145 Bell Aliant units			

OTHER PUBLIC BOARD DIRECTORSHIPS DURING THE LAST FIVE YEARS **COMMITTEE MEMBERSHIP & ATTENDANCE DURING 2006**

PRESENT BOARDS		PAST BOARDS				REGULARLY SCHEDULED		SPECIAL	
TransAlta Corporation (Chair)	1989 present	Hudson's Bay Company	2000	2006	CGC (Chair)	4/4		2/2	
		UPM-Kymmene Corporation (Finland)	2001	2004					

Brian Michael Levitt Québec, Canada

PARTNER AND CO-CHAIR, OSLER, HOSKIN & HARCOURT LLP (LAW FIRM) (SINCE JANUARY 2001)

Mr. Levitt was the President and Chief Executive Officer of Imasco Limited (consumer products and services company) from 1995 to 2000 and is currently a director of the Montreal Museum of Fine Arts.

OWNERSHIP AT APRIL 13, 2007 OWNERSHIP AT APRIL 12, 2006

**DATE JOINED BOARD &
ATTENDANCE DURING
2006**
