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## **GOVERNANCE MANUAL**

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**Amended and Restated January 1, 2011**

**This Governance Manual is in force pursuant to resolutions adopted by the Boards of Directors of Bell Aliant Regional Communications Inc. and Bell Aliant Inc., and became effective with respect to such entities on July 7, 2006 and January 1, 2011, respectively.**

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## SECTION I - INTRODUCTION

### 1. Objectives of Manual

The two objectives of this Manual are:

- A. to document the governance principles and practices of the Boards of Directors (the "**Board**" or individually a "**Director**") of Bell Aliant; and
- B. to provide an orientation resource for new Directors.

For purposes of this Manual, reference to "**Bell Aliant**" includes reference to Bell Aliant Inc., Bell Aliant Regional Communications Inc., Bell Aliant Regional Communications, Limited Partnership and their subsidiary enterprises.

### 2. Governance System

At Bell Aliant, governance denotes the structure and process employed to oversee, direct and manage the business and affairs of Bell Aliant with the object of ensuring financial viability and enhancing investor value. This structure and process defines the division of power between, and establishes mechanisms for achieving accountability by, the Board and management. Ways and means of improving governance effectiveness are reviewed and modified on an ongoing basis.

The Bell Aliant organization includes corporate and partnership entities. Bell Aliant Inc. is a publicly-held entity and is governed by nine (9) Directors, who in turn are governed by Articles of Incorporation, by-laws and the *Canada Business Corporations Act* ("**CBCA**"). The Board of Bell Aliant Inc. is the central point, or "hub", of the governance structure for the other entities in the Bell Aliant structure. The Board of Bell Aliant Regional Communications Inc. is also governed by Articles of Incorporation, by-laws and the CBCA.

### 3. Governance Committee

The Boards have a Governance Committee, which oversees governance at Bell Aliant, including the methods and processes for Directors' effectiveness and performance evaluation. It also acts as a nominating committee by identifying and proposing suitable candidates for election or appointment as Directors. As well, the Committee recommends Directors' compensation.

### 4. BCE/Bell Relationship

BCE Inc. ("**BCE**") and Bell Canada are significant stakeholders in Bell Aliant; they directly or indirectly hold common shares of Bell Aliant Inc.

BCE has contractual rights related to Bell Aliant under a Securityholders' Agreement and an Investor Liquidity Agreement. These contracts include, among other items, certain BCE governance rights related to Bell Aliant.

## 5. Bell Aliant Entities

Following is a brief overview of the key Bell Aliant entities:

### **Bell Aliant Inc.**

- A CBCA company;
- Common shares are listed on the Toronto Stock Exchange under the symbol “BA”;
- Governed by nine (9) Directors;
- Bell Aliant Inc. is a reporting issuer, but may not consolidate financial results of Bell Aliant Regional Communications Inc. under GAAP (because Bell Aliant Inc. does not control Bell Aliant GP; BCE controls through Board election process mandated by the Securityholders’ Agreement). As a result, separate financial statements for Bell Aliant GP must be filed in addition to those of Bell Aliant Inc.

### **Bell Aliant Regional Communications Inc. (“Bell Aliant GP”)**

- A CBCA company;
- Acts as general partner of Bell Aliant Regional Communications, Limited Partnership, Télébec, Limited Partnership and NorthernTel, Limited Partnership;
- No other business, no employees; and
- Reporting issuer (as noted above).

### **Bell Aliant Regional Communications, Limited Partnership (“Bell Aliant LP”)**

- A limited partnership formed under the laws of Manitoba;
- Controlled by its general partner, Bell Aliant GP;
- Conducts the Bell Aliant, KMTS, NorthernTel and Télébec and Bell regional business; and
- Bell Aliant LP is a reporting issuer, having filed a shelf prospectus and issued Medium Term Notes. Bell Aliant LP is permitted to rely on the continuous disclosure filings of Bell Aliant GP, due to guarantee of MTNs by Bell Aliant GP, under exemptive relief granted by securities commissions. Supplementary financial information must be provided for Bell Aliant LP.

### **Télébec, Limited Partnership and NorthernTel, Limited Partnership (“Bell Nordiq Partnerships”)**

- Controlled by general partner, Bell Aliant GP; and
- Conduct the Nordiq regional business.

## SECTION II - RESPONSIBILITIES

### 1. Board Responsibilities

The primary responsibility of the Board is to foster the long-term success of Bell Aliant Inc. and its subsidiary enterprises. The Bell Aliant Directors are empowered by various constating documents, including articles, by-laws, partnership agreements and contracts.

The Directors operate by delegating certain of their authorities, including spending authorizations, to management and by reserving certain powers for themselves. The Directors retain the responsibility for managing their own affairs, including, as appropriate, planning their composition, selecting a Board Chair, nominating candidates for election or appointment to the Board, appointing committees and determining Director compensation (subject to the terms of the Securityholders' Agreement).

A Director's responsibility is that of a fiduciary and individually and collectively is founded in legal imperatives (see Section 2 below, Individual Director Responsibilities).

The Board's role is to oversee all activities of the corporation, including the performance of executive management. In summary, this consists of selecting a successful management team, overseeing corporate strategy and performance, acting as a resource for management, and ensuring effective investor communication, including required review and approval of financial disclosures, convening and conducting shareholder meetings, and effecting payment of dividends to shareholders.. Individual Directors share this responsibility collectively with the other members of the Board.

The principal duties of the Board are outlined in its Charter, attached as Appendix A.

### 2. Individual Director Responsibilities

The duties and responsibilities of Directors originate in common law, in the CBCA and the by-laws of Bell Aliant Inc. and Bell Aliant GP.

Directors are fiduciaries. A fiduciary is a person who in law, by his/her position, is able to affect the legal rights of others and has some power of control over the property of others. Bell Aliant Directors, in the performance of their duties, stand in a fiduciary relationship and are bound by all the rules of fairness, morality and honesty in purpose that the law imposes. These duties may be summarized as follows:

- A. Duty of Honesty - In their dealings with fellow Directors, Directors must tell the whole truth in good faith. Secret profits are forbidden;
- B. Duty of Loyalty - Directors are required to give individual loyalty to Bell Aliant. Each Director must exercise his/her powers honestly and for the benefit of Bell Aliant and/or the shareholders as a whole;
- C. Duty of Care - Directors are required to exercise prudence and diligence. The duty of care requires prudence based on common sense;
- D. Duty of Diligence – The requirement of diligence involves making those inquiries which a person of ordinary care in their position or in managing their own affairs would make;
- E. Duty of Skill - Directors must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- F. Duty of Prudence – Directors must use common sense. Acting prudently is acting carefully, deliberately, cautiously, trying to foresee consequences; and

- G. Other - Directors must also keep the following duties in mind in the exercise of their individual responsibilities:
- Exercise powers properly for the purpose for which they are conferred;
  - Be sensitive to any sort of conflict of interest whether real or perceived. Where conflict cannot be avoided, declare the conflict and, based on the specifics of the conflict either refrain from voting and/or be excused from the meeting (see Appendix G for more detailed guidelines);
  - Do not misuse information or position; and
  - Exercise good judgment and act with integrity, use abilities and experience and influence constructively, be an available resource to management and other Directors, respect confidentiality, govern rather than manage, be aware of potential conflict areas, evaluate the Chief Executive Officer and Bell Aliant's performance, and assist in maximizing investor value.

This is a very brief summary of the duties of Directors. Further information is available from several resources including Bell Aliant's Corporate Secretariat directly and organizations such as the Institute of Corporate Directors ([www.icd.ca](http://www.icd.ca)), the Canadian Coalition for Good Governance ([www.cccg.ca](http://www.cccg.ca)), and Deloitte's Center for Corporate Governance ([www.corpgov.deloitte.com/site/CanEng](http://www.corpgov.deloitte.com/site/CanEng)).

For ease of reference, following is a checklist of items designed to assist individual Directors in fulfilling their responsibilities:

- With regard to preparation and attendance – read mail-out materials; maintain a good attendance record; acquire adequate information for decision making; read minutes carefully; and review resolutions passed and actions taken in your absence.
- With regard to communication – participate fully and frankly in meetings; encourage free and open discussion; ask probing questions of management; and ensure any dissenting opinion is recorded in writing.
- With regard to independence – demonstrate interest in the long term success of Bell Aliant; speak and act independently; and refrain from voting on questions where your independence could be called into question.
- With regard to board effectiveness - establish an effective, independent and respected presence and a collegial relationship with other Directors; ensure that there is follow up on resolutions passed by the Board; and participate in review of policies and strategies and monitor their progress.
- With regard to committee work - become knowledgeable about the purpose and goals of the committee; and understand the process and the role of management and staff supporting the committee.
- With regard to business and industry knowledge - remain knowledgeable of Bell Aliant's services, facilities and industry; understand Bell Aliant's role in its communities; understand regulatory, legislative, business, social and political environments of Bell Aliant; and become acquainted with its executives.

- With regard to Director responsibilities – be aware of the various statutes and provisions pertaining to corporate offences; make certain that Bell Aliant’s affairs are run according to its constating documents; ensure that any delegation of power to management is constrained within reasonable limits, particularly administrative management; retain the right to obtain advice from outside experts where warranted; obtain assurance of timely payment of employee wages, source deductions, income tax instalments, GST, HST, QST (e.g. through the Controller’s quarterly report to the Audit Committee); ensure that Bell Aliant is in compliance with all environmental legislation, has an up-to-date environmental policy and reports to the Board (or appropriate Committee); and ensure that appropriate records are kept and maintained and that proper distributions or payments are made.
- Be an effective ambassador of Bell Aliant.

**3. Chair of the Board and Lead Independent Director Responsibilities**

Appendix A includes position descriptions outlining the responsibilities of the Chair of the Board and Lead Independent Director.

**4. President and Chief Executive Officer (“CEO”) Responsibilities**

Appendix F includes a position description outlining the responsibilities of the CEO.

**5. Committee Chair Responsibilities**

Appendices B to E include the Committee Charters for the Board’s standing committees, and include Committee Chair responsibilities for each committee.

## SECTION III –DIRECTOR INDEPENDENCE

### 1. “Independence”

Bell Aliant uses the following concepts to reflect a Director’s degree of independence:

An “Independent” Director, for the purposes of membership on Bell Aliant’s Audit Committee, is one who has no direct or indirect material relationship with Bell Aliant, meaning a relationship which could, in the view of Bell Aliant Inc.’s Board, reasonably interfere with the exercise of a member’s independent judgment, all as contemplated and described in National Instrument 52-110 *Audit Committees* (“**NI 52-110**”). An Audit Committee member who is also a Director of an affiliated entity, but is otherwise independent of Bell Aliant and the affiliated entity, shall be considered “Independent” for the purposes of membership on Bell Aliant’s Audit Committee.

An “External” Director is one who is not an employee of Bell Aliant or a member of Bell Aliant’s management team. An “Internal” Director, on the other hand, is one who is an employee of Bell Aliant or a member of the Bell Aliant management team.

A Director who is a former member of Bell Aliant’s executive management team is considered to have a material relationship with Bell Aliant for a period of 3 years following termination of his/her employment as a Bell Aliant executive.

### 2. Board Leadership

The Chair of the Board is a non-executive position. If the Chair is not independent, then a Lead Independent Director shall be appointed by the Board in accordance with the terms of the Securityholders’ Agreement.

The positions of Chair of the Board and CEO of Bell Aliant are separate.

### 3. Director Selection Process

The Governance Committee is responsible for recommending, in consultation with the CEO, suitable candidates for Director appointees or nominees, as required. The selection procedure for Independent Directors is described in Appendix H, and must be in compliance with the terms of the Securityholders’ Agreement.

## SECTION IV – GOVERNANCE STRUCTURE

### 1. Meeting Frequency and Location

Meeting frequency and location are determined from time to time by the Board.

The Board, at each regularly scheduled meeting, holds separate, regularly scheduled meetings at which members of management are not in attendance, and also meets separately with neither non-independent Directors nor management personnel present.

### 2. Board Committees

The Board has established Charters and Forward Agendas for each committee. These Charters and Forward Agendas are outlined in Appendices B to E.

The Board operates with the following four standing committees:

- Audit Committee Appendix B
- Governance Committee Appendix C
- Management Resources and Compensation Committee Appendix D
- Pension Committee Appendix E

The Governance Committee reviews the Charter for each of the standing committees on an annual basis.

All committees act at the pleasure of the Board and there will be occasions when the Board may form a new committee (standing committee or *ad hoc* committee) or disband an existing committee depending upon the circumstances.

### 3. Committee Meetings and Forward Agendas

The Committees and the Board each have a Forward Agenda that outlines important issues that they must address annually. The Forward Agendas are harmonized with management and planning processes to ensure that the impact and timeliness of Board and Committee assessments and input may be maximized. The Forward Agendas are reviewed by the Governance Committee, the Board and each respective Committee annually. The Forward Agendas for the current year are found in Appendices A to E.

### 4. Composition of Committees

Composition of committees is also a key determinant of Board independence. All Bell Aliant committees shall be composed entirely of external Directors. Where possible and as determined by the Board and Governance Committee, the majority of committee members shall be independent. The Audit Committee shall be composed entirely of Directors who are “Independent” within the meaning of NI 52-110.

The CEO attends any and all Board and Committee meetings deemed appropriate by the Chair of the Board in a non-voting capacity. Both the Chair of the Board and the Lead Independent Director have a standing invitation to attend meetings of the committees.

### 5. Directors’ Compensation

The Governance Committee reviews Directors’ compensation on an annual basis and makes recommendations to the Board regarding changes. Directors employed by Bell Aliant Inc., its subsidiaries, BCE or Bell Canada do not receive such compensation. In the case of Directors employed by BCE or Bell Canada, compensation is paid to Bell Canada as deemed appropriate by Bell Aliant and Bell Canada.

**6. Directors' & Officers' Liability Insurance and Indemnification**

Bell Aliant participates in the Directors' & Officers' Liability Insurance Program sponsored by BCE and its affiliates. The policy has a US \$ 200 Million limit per claim and policy aggregate, protecting directors, officers, employees, and Bell Aliant to the extent that it has indemnified these individuals. Bell Aliant, through incorporating legislation and other constating documents and through Indemnification Agreements signed with each Director, indemnifies all Directors and Officers from liability arising from the performance of their duties so long as they are acting lawfully and in good faith.

## **SECTION V - ACCESS TO INFORMATION**

### **1. Meeting Information Needs**

Prior to every meeting, Directors are provided with a binder that contains a copy of the meeting agenda plus supporting information on agenda items that will be reviewed during the meeting. Frequently, presentations are made by members of the executive management team on new developments, products, and service offerings to keep the Directors informed of these matters. These materials are ordinarily sent to each Director seven (7) days prior to a meeting.

### **2. Access to Management**

The CEO invites members of the Bell Aliant executive and other management as required to Board meetings to provide additional insight into the matters being considered and to provide exposure to other members of the management team.

### **3. Directors' Orientation**

The Board recognize the need to familiarize newly elected/appointed Directors with their roles, responsibilities and liabilities, and provide them with an overview of Bell Aliant Inc. and its related entities. An orientation package is provided that consists of information on the nature of Bell Aliant's business; the organizational structure; strategic and financial plans; Board procedures; constating documents; operations and capital expenditure programs; and Bell Aliant's relationship with BCE. The new Director is also provided with the opportunity to visit various facilities and to meet with members of Bell Aliant's management team to discuss and better understand the business.

## **SECTION VI - COMPOSITION OF THE BOARD**

### **1. Governance Committee and the Nominating Process**

The Governance Committee is charged with the responsibility of identifying, evaluating and recommending nominees for the Board of Directors, in consultation with the CEO.

### **2. Boards of Directors**

The Board of Bell Aliant Inc., in accordance with the terms of the Securityholders' Agreement, shall consist of between three (3) and twenty (20) members, with the number within that range to be as determined by the Bell Aliant Inc. Board from time to time. The Board of Bell Aliant Inc. nominates all Bell Aliant Inc. Directors, and nominees are presented to the shareholders for election. BCE has the right to annually direct the Bell Aliant Inc. Board with respect to the nomination of up to a majority of the Bell Aliant Inc. Directors as long as BCE holds 30% of the outstanding common shares and the commercial agreements are in place. The remaining nominees for election as Bell Aliant Inc. Directors are selected by the Board.

The Board of Bell Aliant GP, in accordance with the terms of the Securityholders' Agreement, shall consist of between nine (9) and fifteen (15) members, with the number within that range to be as determined by the Bell Aliant GP Board from time to time. BCE has the right to appoint up to a majority of the Bell Aliant GP Board as long as BCE and its affiliates hold 30% of the outstanding common shares of Bell Aliant Inc. and the commercial agreements remain in place. The remainder of the Bell Aliant GP Board is appointed by Bell Aliant Inc. as shareholder, pursuant to the Securityholders' Agreement.

### **3. Eligibility Requirements**

The eligibility requirements for Directors are set out in the by-laws of Bell Aliant Inc. and Bell Aliant GP, in the CBCA and in the Securityholders' Agreement.

Bell Aliant's policy is that Directors are required to hold a minimum number of Bell Aliant Inc. common shares, and/or deferred share units. Bell Aliant's minimum ownership policy for Directors is set out in Appendix J.

In addition to these requirements, the Governance Committee has developed selection criteria as outlined in Appendix H.

### **4. Terms of Office and Tenure**

Each Director is nominated or re-nominated for election each year and there is no limit on the number of years a Director may serve with the Board.

### **5. Majority Voting Policy**

The Board has adopted, on a voluntary basis, a policy with respect to the election of Directors at the annual meeting of Bell Aliant Inc. shareholders. The Board adopted a policy which stipulates that, at any shareholders' meeting at which Directors are to be elected in an uncontested election, if any Director nominee receives a greater number of votes "withheld" from his/her election than votes "for", such nominee shall, no later than 10 days following the receipt of the audited and final scrutineers' report relating to such meeting, submit to the Board his or her resignation letter, which shall take effect only upon the acceptance of such resignation by the Board.

The Board upon recommendation of the Governance Committee, shall within 90 days following the public disclosure of the vote results, determine either to accept or not the Director's offer to resign, and the Board shall promptly disclose, via press release, the determination including, in cases where the Board has

determined not to accept a resignation, the reasons therefore. It is generally expected that the Governance Committee will recommend that the Board accept such resignation except in extraordinary circumstances. If a resignation is accepted, the Board may appoint a new Director to fill any vacancy, or may reduce the size of the Board.

The Board has also committed to maintain the practice of ensuring that proxy forms used for the election of Directors enable shareholders to vote in favour of or to withhold their vote separately for each Director nominee.

## SECTION VII - PERFORMANCE ASSESSMENT

### 1. Board Performance Assessment Process

The Board's performance assessment process is reviewed and established annually on advice of the Governance Committee. The 2010 assessment process of Bell Aliant Inc.'s predecessor companies (Bell Aliant Regional Communications Income Fund and Bell Aliant Regional Communications Holdings Inc.) consisted of two parts: a written questionnaire, followed by separate one-on-one interviews. It is anticipated that the 2011 assessment process of Bell Aliant will be as follows:

- A. The **Lead Independent Director** will conduct one-on-one interviews with each Director to assess the performance of:
- the Board as a whole;
  - each committee of the Board;
  - each committee Chair; and
  - each Director individually.

In addition, should the responses to the written questionnaire warrant further discussion, the Chair of the Board will conduct one-on-one interviews with each Director to assess the Lead Independent Director.

Upon conclusion of the written questionnaire and subsequent interviews, the Board will meet *in camera*, without management present, to review and discuss the feedback obtained in the assessment interviews and follow-up action required. The Board Chair will share with management any matters to be reflected in the minutes from those sessions or matters requiring action by management.

### 2. CEO Evaluation

The Board of Directors has a responsibility to oversee and monitor the effectiveness of the CEO. The responsibilities of the CEO are found in Appendix F. An effective review process includes consideration of the CEO's performance relative to:

- Bell Aliant's strategic plan, goals and targets;
- Bell Aliant's financial, competitive and service performance;
- succession planning and the development of the executive team;
- the CEO's contribution to effective governance and Board relations;
- leadership and communication with investors, customers, employees and the community; and
- other responsibilities as set out in Appendix F.

The CEO performance assessment process is carried out by the Management Resources and Compensation Committee and reported to the Board at least annually.

## **SECTION VIII – CONTROLLED SUBSIDIARIES**

### **1. General**

This section applies to active subsidiaries that are wholly owned or legally controlled by Bell Aliant that are not publicly traded entities.

### **2. Boards of Subsidiaries**

Prior approval of the CEO of Bell Aliant is required for all appointments to the Boards of subsidiaries. If an individual is appointed to the Board of a subsidiary who is not an Officer of Bell Aliant GP, the Governance Committee shall be updated on such appointment at the next meeting of the Governance Committee following the appointment.

Officers and/or employees of Bell Aliant, as the case may be, shall receive no compensation for sitting on Boards of subsidiaries. An agreement, in a form approved by the Governance Committee, shall be executed by all employees acting in the capacity of a Director of the subsidiaries. Such a contract shall result in all consideration received by them being held in trust by the employee on behalf of Bell Aliant.

A program of appropriate training for those Officers or employees acting as Directors of Subsidiaries is to be developed and available on a regular basis.

### **3. Delegated Authority**

The Bell Aliant Boards have delegated authority to management by way of an authorization policy (effective July 2007 for Bell Aliant GP, January 1, 2011 for Bell Aliant Inc., and amended from time to time). The Boards delegates their authority over certain corporate actions carried out in the ordinary course of business to employees in order to ensure efficient operation of the business, while providing a consistent framework to assist employees in making business decisions within their areas of responsibility.

The Bell Aliant Authorizations Policy applies to all Bell Aliant subsidiaries except those that have adopted a similar but separate authorizations policy approved by the Bell Aliant Board and the subsidiary Board, as required under Bell Aliant's Authorization Policy.

Where a subsidiary has not adopted an authorizations policy, all corporate actions contemplated by the Bell Aliant Authorizations Policy must be approved by a resolution of the subsidiary's Board, subject to the authorization limits of the most senior Bell Aliant person responsible for that subsidiary.

Employees who serve on a subsidiary's Board, before voting on or signing a resolution in respect of such subsidiary (other than standard annual resolutions), should use reasonable efforts to obtain, as required, the approval of a Bell Aliant employee who would have the authority to take the same action on behalf of Bell Aliant were the transaction a Bell Aliant transaction, unless such action or decision is the same as one that has already been authorized by a Bell Aliant Board resolution.

Nothing in this section in any way reduces, suspends or otherwise affects the statutory role and legal responsibility of the Boards of the subsidiaries or the legal and fiduciary duties of their individual Directors. Each subsidiary's Board remains solely responsible for the subsidiary's corporate governance and operations.

### **4. Subsidiary Governance Policies**

Each subsidiary is encouraged to adopt both an authorizations policy and operational policies that are best suited to its particular business needs. Once a subsidiary has adopted authorizations and operating policies, actions proposed to be taken or decisions proposed to be made must conform to those policies.

Each subsidiary wishing to establish a policy on authorizations must comply with the terms of the Bell Aliant Authorizations Policy.

The process for approving subsidiary operational policies is similar. Accordingly, each of the following criteria must be fulfilled:

- The subsidiary's policies shall be substantially similar to those of Bell Aliant in terms of overall governance requirements, internal accounting controls, prudent risk management and risk containment principles;
- The subsidiary's policies shall have been approved in writing by the member of the management team responsible for the segment of operations to which the policies apply.; and
- Policies must be provided to the Chief Financial Officer ("**CFO**") and to the Corporate Secretary of Bell Aliant.

## SECTION IX – MINORITY SUBSIDIARIES

### 1. General

In this section, a Minority Subsidiary means a (i) body corporate established pursuant to the CBCA, pursuant to similar provincial legislation in Canada or under similar state laws in the United States of America, or elsewhere, whether privately held or publicly held or (ii) any other legal or quasi-legal entity such as a partnership, limited partnership or joint venture, in which Bell Aliant has an investment but over which Bell Aliant does not exercise legal ownership and control (collectively referred to as “**Minority Subsidiaries**”).

### 2. Publicly Held Minority Subsidiaries

If a publicly held Minority Subsidiary's constating documents or other documents grant Bell Aliant or one of its subsidiaries the right to recommend an individual to the Board of that Minority Subsidiary, Bell Aliant's CEO may recommend one of Bell Aliant's Officers and/or employees to fill this position. Any exception to this rule requires the prior approval of the Governance Committee.

### 3. Privately Held Minority Subsidiaries

A Minority Subsidiary's Board remains solely responsible for its corporate governance and the operations of its respective business. Bell Aliant's management will take into consideration the Minority Subsidiary's unique requirements when it has the ability to nominate an individual to the Board of such subsidiary. Bell Aliant's CEO, in recommending the appropriate individuals to the Board will focus on the integrity of internal accounting controls, risk management and risk containment principles in existence within that particular Minority Subsidiary. Should the CEO feel that such internal controls require further assessment, development or implementation, the CEO shall recommend Officers or employees of Bell Aliant as nominees to the Board. However, should the CEO feel that a Minority Subsidiary would benefit more from assistance on matters of strategic importance to that particular Minority Subsidiary, then Bell Aliant's CEO may appoint, in his/her discretion, another individual with the required attributes and operational background to assist.

### 4. Boards of Minority Subsidiaries

Officers and/or employees of Bell Aliant, as the case may be, shall receive no compensation for sitting on Boards of Minority Subsidiaries. An agreement, in a form approved by the Governance Committee, shall be executed by all Officers and/or employees acting in the capacity of a Director of a Minority Subsidiary. Such an agreement shall result in all consideration received by such Officer and/or employee being held in trust by the Officer and/or employee on behalf of Bell Aliant.

Officers and/or employees acting as Directors of a Minority Subsidiary will benefit from the same training program as developed for Officers and/or employees serving on Boards of subsidiaries.

### 5. Governance of Minority Subsidiaries

Officers and/or employees who serve on a Board or Boards of Minority Subsidiaries will encourage, if applicable in the context, the Minority Subsidiary to adopt a policy on authorizations which will entail governance requirements, internal accounting controls and prudent risk management and risk containment principles, subject to the specific needs of the Minority Subsidiary corporation.

Nothing in this policy in any way reduces, suspends or otherwise affects the statutory role and legal responsibility of the Boards of the Minority Subsidiaries, whether privately held or publicly held, or the legal and fiduciary duties of their individual Directors. A Minority Subsidiary's Board remains solely responsible for its corporate governance and the operations of its business.

## APPENDIX A – BOARD OF DIRECTORS’ CHARTER

(including Board Chair and Lead Independent Director position descriptions)

### **Board of Directors**

#### **I. Purpose**

The Board of Directors of Bell Aliant is responsible for supervising management of the business and affairs of Bell Aliant.

In this Charter, references to “**Bell Aliant**” include Bell Aliant Inc., Bell Aliant Regional Communications Inc. and 6583458 Canada Inc. References to the “**Board**” include the Board of Directors of Bell Aliant Inc., Bell Aliant Regional Communications Inc. and 6583458 Canada Inc., as applicable.

#### **II. Duties and Responsibilities of the Board**

In furtherance of its purpose, the Board has the following duties and responsibilities, some of which are initially reviewed and recommended by the applicable Committee of the Board to the full Board for approval:

##### **A. Strategy and budget**

1. Ensuring a strategic planning process is in place and approving, on at least an annual basis, a business plan which takes into account, among other things, the longer term opportunities and risks of the business;
2. Approving Bell Aliant’s annual operating and capital budgets; and
3. Reviewing operating and financial performance results in relation to Bell Aliant’s business plan and budgets.

##### **B. Governance**

1. Developing Bell Aliant’s approach to, and disclosure of, governance practices, including expectations and responsibilities of individual Directors, as well as attendance at meetings of the Board and of Committees of the Board and the commitment of time and energy expected;
2. Approving the nomination of Directors to the Board as well as:
  - a. ensuring that the composition of Bell Aliant’s Board is in compliance with the Securityholders’ Agreement, and determining which Directors, in the reasonable opinion of the Board, are independent pursuant to applicable legislation, regulation and listing requirements;
  - b. developing appropriate qualifications/criteria for the selection of Directors, including criteria for determining Director independence; and
  - c. appointing the Board Chair, Lead Independent Director, and the Chair and members of each Committee of the Board, in consultation with the relevant Committee of the Board.

**APPENDIX A – BOARD OF DIRECTORS’ CHARTER (continued)**

3. Determining that the members of the Audit Committee of the Board meet all requirements of Audit Committee members, pursuant to applicable legislation, regulation and listing requirements, including independence and financial literacy;
4. Providing an orientation program for new Directors and continuing education opportunities for all Directors;
5. Assessing annually the effectiveness and contribution of the Board, the Board Chair and the Lead Independent Director, of each Committee of the Board and their respective Chairs and of individual Directors;
6. Developing written position descriptions for the Board Chair and Lead Independent Director and the Chair of each Committee of the Board; and
7. Appointing and removing of Bell Aliant’s Corporate Secretary.

**C. *Chief Executive Officer, Officers and Compensation and Benefits Policies***

1. Appointing the Chief Executive Officer (“CEO”) and all other senior executives (defined as Bands 1-3) of Bell Aliant;
2. Together with the CEO, developing a written position description for the role of the CEO;
3. Developing Bell Aliant’s goals and objectives that the CEO is responsible for meeting and reviewing the performance of the CEO against such corporate goals and objectives;
4. Approving Bell Aliant’s compensation policy for Directors;
5. Approving Bell Aliant’s compensation and benefits (including pension plans) policy for senior executives or any changes thereto and approving, by the external Directors, all forms of compensation for the CEO, as well as:
  - a. monitoring and reviewing, as appropriate, the administration, funding and investment of Bell Aliant’s pension plans; and
  - b. appointing, or removing, the custodian, trustee, or investment manager(s) for Bell Aliant’s pension plans and fund(s).
6. Satisfying itself as to the integrity of the CEO, other Officers and senior executives and that the CEO, other Officers and senior executives create a culture of integrity throughout the organization; and
7. Providing stewardship in respect of succession planning, including the appointment, training and monitoring of the CEO, other Officers and senior executives.

**D. *Risk Management, Capital Management and Internal Controls***

1. Identifying and assessing the principal risks of Bell Aliant’s business, and ensuring the implementation of appropriate systems to manage these risks;
2. Ensuring the integrity of Bell Aliant’s internal control system and management information systems and the safeguarding of Bell Aliant’s assets;

## **APPENDIX A – BOARD OF DIRECTORS’ CHARTER (continued)**

3. Reviewing, approving, and as required, overseeing compliance with Bell Aliant’s Disclosure Policy by Directors, Officers, senior executives and other employees;
4. Reviewing, approving and overseeing Bell Aliant’s disclosure controls and procedures; and
5. Reviewing and approving the Code of Business Conduct of Bell Aliant with the purpose of promoting integrity and deterring wrongdoing, and encouraging and promoting a culture of ethical business conduct and as required, overseeing compliance with Bell Aliant’s Code of Business Conduct by Directors, Officers and senior executives and employees.

### **E. *Financial Reporting, Auditors and Transactions***

1. Reviewing and approving, as required, Bell Aliant’s financial statements and related financial information;
2. Appointing, subject to approval of shareholders (including terms and review of engagement) and removing the external auditor;
3. Appointing (including responsibilities, budget and staffing) and removing Bell Aliant’s internal auditor;
4. Appointing and removing of Bell Aliant’s Chief Financial Officer (“**CFO**”), which authority the Board is able to exercise only on the recommendation of the Audit Committee; and
5. Delegating (to the extent permitted by law) to the CEO, other Officers and senior executives appropriate powers to manage the business and affairs of Bell Aliant.

### **F. *Legal Requirements and Communication***

1. Overseeing the adequacy of Bell Aliant’s processes to ensure compliance by Bell Aliant with applicable legal and regulatory requirements.

### **G. *Other***

1. Reviewing and approving, as required, Bell Aliant’s environmental policies and ensuing management systems;
2. Reviewing, approving and, as required, overseeing Directors, other Officers and senior executives’ and employees’ compliance with Bell Aliant’s health and safety policies and practices; and
3. Performing any other function as prescribed by law or as not delegated by the Board to one of the Committees of the Board or to management personnel.

### ***Board Chair and Lead Independent Director***

#### **I. *Appointment***

The Board shall appoint its Chair from among Bell Aliant’s Directors.

If the Chair of the Board is not independent, the Board shall appoint a Lead Independent Director from among Bell Aliant’s independent Directors.

## APPENDIX A – BOARD OF DIRECTORS’ CHARTER (continued)

### II. Duties and Responsibilities of the Board Chair and Lead Independent Director

The Board Chair and Lead Independent Director lead the Board in all aspects of its work and are responsible to effectively manage the affairs of the Board and ensure that the Board is properly organized and functions efficiently. The Board Chair and Lead Independent Director, as appropriate, also advise the CEO in all matters concerning the interests of the Board and the relationships between management personnel and the Board.

More specifically, the **Board Chair** shall:

#### A. *Strategy*

1. Provide leadership to enable the Board to act effectively in carrying out its duties and responsibilities as described in the Board Charter and as otherwise may be appropriate; and
2. Work with the CEO, other Officers and senior executives to monitor progress on the Business Plan, annual budgets, policy implementation and succession planning.

#### B. *Advisor to the CEO*

1. Provide advice, counsel and mentorship to the CEO and fellow members of the Board; and
2. In consultation with the CEO, ensure that there is an effective relationship between management personnel and the members of the Board.

#### C. *Board structure and management*

1. Chair the Board meetings;
2. In consultation with the CEO, the Corporate Secretariat and the Chairs of the Committees of the Board, determine the frequency, dates and locations of meetings of the Board, of Committees of the Board, and of the shareholders;
3. In consultation with the CEO and the Corporate Secretariat, review the meeting agendas to ensure all required business is brought before the Board to enable it to efficiently carry out its duties and responsibilities;
4. Ensure, in consultation with the Chairs of the Committees of the Board, that all items requiring Board and Committee approval are appropriately tabled;
5. Ensure the proper flow of information to the Board and review, with the CEO and the Corporate Secretariat, the adequacy and timing of materials in support of management personnel’s proposals; and
6. In conjunction with the relevant Committee of the Board (and its Chair), review and assess the Directors’ meeting attendance records and the effectiveness and performance of the Board, its Committees (and their Chairs) and individual Directors.

#### D. *Other*

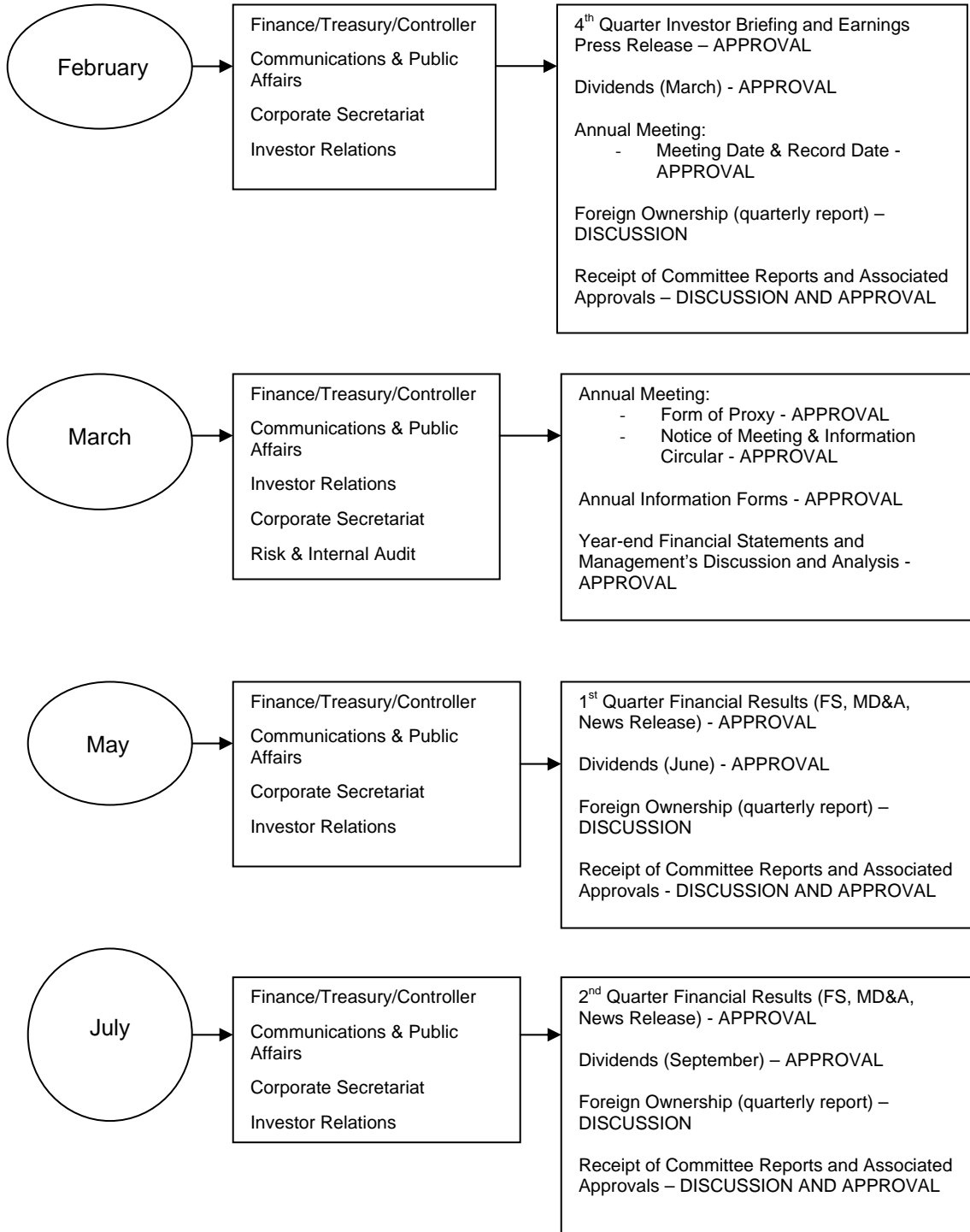
1. Exercise the authority of the CEO in the unlikely event that the CEO is absent and is unable to act and action on the part of the CEO is urgently required to protect the interests of Bell Aliant;
2. Carry out special assignments or any functions as requested by the Board; and

3. Attend any and all Committee meetings deemed appropriate by the Chair, in a non-voting capacity.

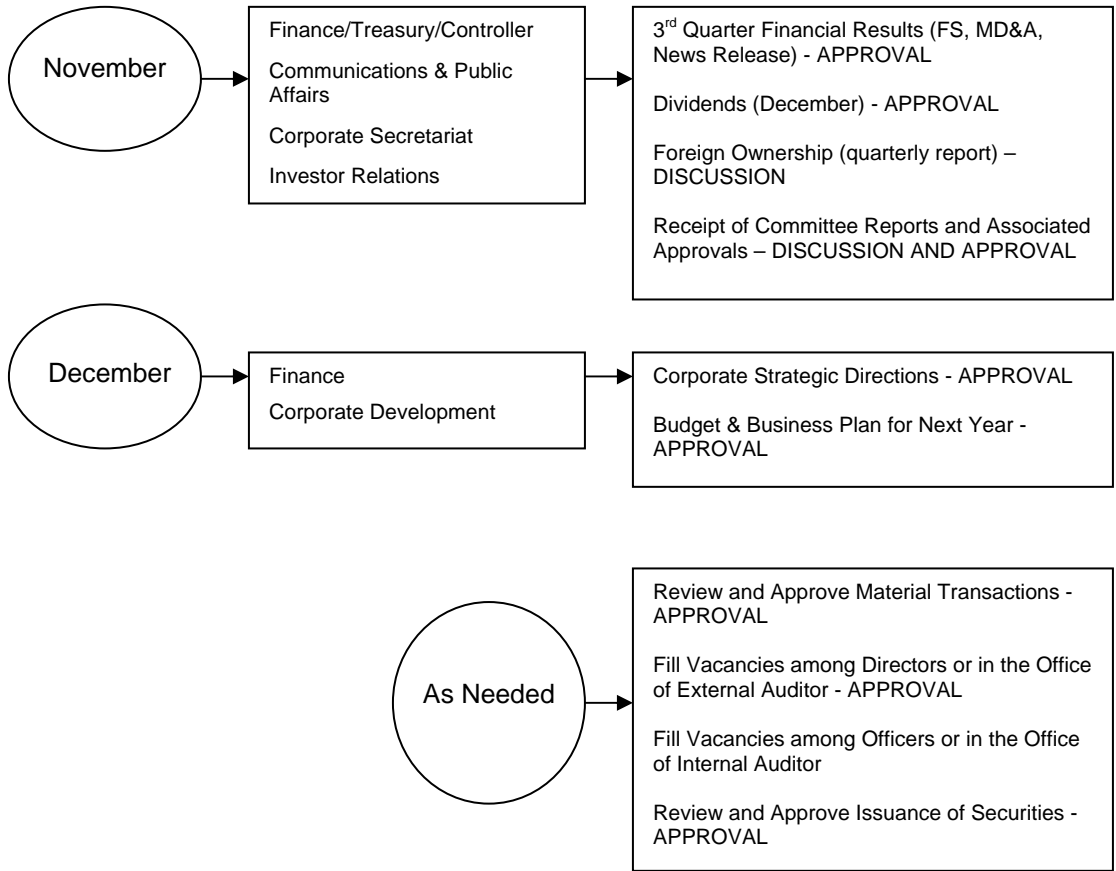
More specifically, the **Lead Independent Director** shall:

1. Ensure the Board has the opportunity, at each regularly scheduled meeting, to meet separately without non-independent Directors and management personnel present and to this effect:
  - a. chair such meetings;
  - b. thereafter, relay to the Chair of the Board and CEO, as required, any comment, question or suggestion of independent Directors; and
  - c. if, at the request of independent Directors, additional meetings are required, the Lead Independent Director is responsible to provide for procedures for such meetings, such as notice of meetings, agendas, minutes and similar matters.
2. Exercise the authority of the Chair of the Board at any meeting where the Chair of the Board is absent; and
3. Carry out special assignments or any functions as requested by the Board.

**APPENDIX A - BOARD OF DIRECTORS FORWARD AGENDA**



**APPENDIX A - BOARD OF DIRECTORS FORWARD AGENDA (continued)**



## APPENDIX B - AUDIT COMMITTEE CHARTER

### I. Purpose

The purpose of the Audit Committee is to assist the Board in their oversight of:

- A. the integrity of Bell Aliant's financial statements and related information;
- B. Bell Aliant's compliance with applicable legal and regulatory requirements;
- C. the independence, qualifications and appointment of the external auditor;
- D. the performance of Bell Aliant's external auditor and internal auditor;
- E. management's responsibility for internal control and risk management;
- F. the administration, funding and investment of Bell Aliant's pension plans ("**Plan**") and fund; and
- G. Bell Aliant's environmental risks.

In this Charter, references to the "**Board**" refer to the Board of Directors of Bell Aliant Inc., Bell Aliant Regional Communications Inc., and 6583458 Canada Inc., as applicable.

### II. Duties and Responsibilities

The Audit Committee shall perform the functions customarily performed by audit committees and any other functions assigned by the Board.

In particular, the Audit Committee shall have the following duties and responsibilities:

#### A. *Financial reporting and control*

1. On a periodic basis, review and discuss with management and the external auditor the following:
  - a. major issues regarding accounting principles and financial statement presentation, including any significant changes in Bell Aliant's selection or application of accounting principles, and major issues as to the adequacy of Bell Aliant's internal controls and any special audit steps adopted in light of material control deficiencies;
  - b. analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative generally accepted accounting principles methods on the financial statements when such alternatives have been selected in the current reporting period;
  - c. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of Bell Aliant; and
  - d. the type and presentation of information to be included in earnings news releases (including any use of pro-forma or adjusted non-generally accepted accounting principles or information).

## **APPENDIX B - AUDIT COMMITTEE CHARTER (continued)**

2. Meet to review and discuss with management and the external auditor, report and, where appropriate, provide recommendations to the Board on the following prior to its public disclosure:
  - a. the annual and interim consolidated financial statements, Bell Aliant's disclosure within Management's Discussion and Analysis, Annual Information Form, earnings news releases, financial information and any earnings guidance provided to analysts and rating agencies and the integrity of the financial reporting of Bell Aliant; and
  - b. any audit problems or difficulties and management's response thereto, including any restrictions on the scope of the activities of the external auditor or access to requested information and any significant disagreements with management.

In addition to the role of the Audit Committee to make recommendations to the Board, where the members of the Audit Committee consider that it is appropriate and in the best interest of Bell Aliant, the interim consolidated financial statements, the interim Bell Aliant's disclosure within Management's Discussion and Analysis for interim period, and interim earnings news releases and earnings guidance, may also be approved on behalf of the Board by the Audit Committee, provided that such approval is subsequently reported to the Board.

3. Review and discuss reports from the external auditor on:
  - a. all critical accounting policies and practices used by Bell Aliant;
  - b. all material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternate treatments and disclosures and the treatment preferred by the external auditor; and
  - c. other material written communications between the external auditor and management, and discuss such report with the external auditor.

### **B. *Oversight of the external auditor***

1. Be directly responsible for the oversight of the work of the external auditor and any other auditor preparing or issuing an audit report or performing other audit review or attest services for Bell Aliant or any consolidated subsidiary of Bell Aliant, where required and review, report and where appropriate, provide recommendations to the Board on the nomination, terms and review of engagement, removal, independence and proposed compensation of the external auditor;
2. Approve in advance all audit, review or attest engagement fees and terms for all audit, review or attest services to be provided by the external auditor to Bell Aliant and any consolidated subsidiary of Bell Aliant and any other auditor preparing or issuing an audit report or performing other audit review or attest services for Bell Aliant or any consolidated subsidiary of Bell Aliant, where required;
3. Pre-approve all engagements for permitted non-audit services provided by the external auditor to Bell Aliant and any consolidated subsidiary of Bell Aliant and to this effect may establish policies and procedures for the engagement of the external auditor to provide to Bell Aliant and any consolidated subsidiary of Bell Aliant permitted non-audit services;

## **APPENDIX B – AUDIT COMMITTEE CHARTER (continued)**

4. Delegate, if deemed appropriate, authority to one or more members of the Audit Committee to grant pre-approvals of audit, review or attest services and permitted non-audit services, provided that any such approvals shall be presented to the Audit Committee at its next scheduled meeting;
5. Establish policies for the hiring of partners, employees and former partners and employees of the external auditor;
6. At least annually, consider, assess, and report to the Board on:
  - a. the independence of the external auditor, including whether the external auditor's performance of permitted non-audit services is compatible with the external auditor's independence;
  - b. obtaining from the external auditor a written statement (i) delineating all relationships between the external auditor and Bell Aliant; (ii) assuring that lead audit partner rotation is carried out, as required by law; and (iii) delineating any other relationships that may adversely affect the independence of the external auditor; and
  - c. the evaluation of the lead audit partner, taking into account the opinions of management and internal audit.
7. At least annually, obtain and review a report by the external auditor describing:
  - a. the external auditor's internal quality-control procedures; and
  - b. any material issues raised by the most recent internal quality-control review, or peer review of the external auditor firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditor firm, and any steps taken to deal with any such issues.
8. Resolve any disagreement between management and the external auditor regarding financial reporting;
9. Review audit plan with the external auditor;
10. Meet periodically with the external auditor in the absence of management and internal audit; and
11. Approve the appointment (including the terms thereof and any changes thereto), or removal, of the auditors for Bell Aliant's Defined Benefit pension plans and Master Trust Fund.

### **C. *Oversight of internal audit***

1. Review and discuss with the head of internal audit, report and, where appropriate, provide recommendations to the Board on the following:
  - a. the appointment and mandate of internal audit, including the responsibilities, budget and staffing of Bell Aliant's internal audit;

## **APPENDIX B – AUDIT COMMITTEE CHARTER (continued)**

- b. the scope and performance of the internal audit, including a review of the annual internal audit plan, and whether there are any restrictions or limitations on internal audit; and
  - c. the periodic reports regarding internal audit findings, including Bell Aliant’s internal controls, and Bell Aliant’s progress in remedying any material control deficiencies.
2. Meet periodically with the head of internal audit in the absence of management and the external auditor.

### **D. *Oversight of Bell Aliant’s internal control system***

1. Review and discuss with management, the external auditor and internal audit, monitor, report and, when appropriate, provide recommendations to the Board on the following:
  - a. Bell Aliant’s internal control system;
  - b. compliance with the policies and practices of Bell Aliant relating to business ethics;
  - c. compliance by Directors, Officers and other management personnel with Bell Aliant’s Disclosure Policy; and
  - d. the relationship of the Audit Committee with other committees of the Board and with management.
2. Review and discuss with the Chief Executive Officer (“**CEO**”) and Chief Financial Officer (“**CFO**”) of Bell Aliant the process for the certifications to be provided in Bell Aliant’s public disclosure documents;
3. Review, monitor, report and where appropriate, provide recommendations to the Board on Bell Aliant’s disclosure controls and procedures and internal controls over financial reporting;
4. Establish procedures, for the receipt, retention, and treatment of complaints received by Bell Aliant regarding accounting, internal accounting controls or auditing matters, including procedures for confidential, anonymous submission by employees regarding questionable accounting or auditing matters; and
5. Meet periodically with management in the absence of the external auditor and internal audit.

### **E. *Oversight of Bell Aliant’s risk management***

1. Review, monitor, report and, where appropriate, provide recommendations to the Board on the following:
  - a. Bell Aliant’s processes for identifying, assessing and managing risk; and
  - b. Bell Aliant’s major financial risk exposures and the steps Bell Aliant has taken to monitor and control such exposures.
2. Review, monitor, report and, where appropriate, provide recommendations to the Board on Bell Aliant’s risk management and insurance program; and

## **APPENDIX B – AUDIT COMMITTEE CHARTER (continued)**

3. Review, monitor, report and, where appropriate, provide recommendations to the Board on Bell Aliant's outsourcing relationship with Bell Canada.

### **F. *Oversight of Bell Aliant's environmental risks***

1. Review, monitor, report, and where appropriate, provide recommendations to the Board on Bell Aliant's environmental policy and environmental management systems; and
2. When appropriate, ensure that Bell Aliant's subsidiaries establish an environmental policy and environmental management systems and review and report thereon to the Board of Bell Aliant.

### **H. *Compliance with legal requirements***

1. Review and discuss with management, the external auditor and internal audit, monitor, report and, when appropriate, provide recommendation to the Board on the adequacy of Bell Aliant's process for complying with laws and regulations; and
2. Receive, on a periodic basis, reports from Bell Aliant's Chief Legal Officer, with respect to legal issues.

### **I. *Miscellaneous***

1. Making recommendations to the Board regarding the appointing and removing of Bell Aliant's CFO.

## **III. Evaluation of the Audit Committee and Report to Board**

- A. The Audit Committee shall evaluate and review with the Governance Committee of the Board, on an annual basis, the performance of the Audit Committee;
- B. The Audit Committee shall review and discuss with the Governance Committee of the Board, on an annual basis, the adequacy of the Audit Committee Charter; and
- C. The Audit Committee shall report to the Board periodically on the Audit Committee's activities.

## **IV. Outside advisors**

The Audit Committee shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Audit Committee in the performance of its functions. Bell Aliant shall provide appropriate funding for such advisors as determined by the Audit Committee.

## **V. Membership**

The Audit Committee shall consist of between three and five Directors, each of whom must be independent, consistent with the terms of the Securityholders' Agreement. The members of the Audit Committee shall meet the independence, experience and other membership requirements under applicable laws, rules and regulations as determined by the Board.

## **APPENDIX B – AUDIT COMMITTEE CHARTER (continued)**

### **VI. Audit Committee Chair**

The Chair of the Audit Committee shall be appointed by the Board. The Chair of the Audit Committee leads the Audit Committee in all aspects of its work and is responsible to effectively manage the affairs of the Audit Committee and ensure that it is properly organized and functions efficiently. More specifically, the Chair of the Audit Committee shall:

- A. Provide leadership to enable the Audit Committee to act effectively in carrying out its duties and responsibilities as described elsewhere in this Charter and as otherwise may be appropriate;
- B. In consultation with the Board chair, the Lead Independent Director and the CEO, ensure that there is an effective relationship between management and the members of the Audit Committee;
- C. Chair meetings of the Audit Committee;
- D. In consultation with the CEO, the Corporate Secretariat, the Board chair, and the Lead Independent Director, determine the frequency, dates and locations of meetings of the Audit Committee;
- E. In consultation with the CEO, the CFO, the Corporate Secretariat and, as required, other senior executives, review the Audit Committee meeting agendas to ensure all required business is brought before the Audit Committee to enable it to efficiently carry out its duties and responsibilities;
- F. Ensure, in consultation with the Board Chair and Lead Independent Director, that all items requiring the Audit Committee's approval are appropriately tabled;
- G. Ensure the proper flow of information to the Audit Committee and review, with the CEO, the CFO, the Corporate Secretariat and, as required, other senior executives, the adequacy and timing of materials in support of management's proposals;
- H. Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Audit Committee at the next meeting of the Board following any meeting of the Audit Committee; and
- I. Carry out any special assignments or any functions as requested by the Board.

### **VII. Term**

The members of the Audit Committee shall be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual general meeting of the shareholders or until their successors are so appointed.

### **VIII. Procedures for meetings**

The Audit Committee shall fix its own procedure at meetings and for the calling of meetings. The Audit Committee shall meet separately in executive session in the absence of management, internal audit and the external auditor, at each regularly scheduled meeting.

## **APPENDIX B – AUDIT COMMITTEE CHARTER (continued)**

### **IX. Quorum and voting**

Unless otherwise determined from time to time by resolution of the Board, two members of the Audit Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Audit Committee Chair is absent, the Chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by members of the Audit Committee, except where only two members are present, in which case any question shall be decided unanimously.

### **X. Secretary**

Unless otherwise determined by resolution of the Audit Committee, the Corporate Secretary of Bell Aliant or his/her delegate shall be the Secretary of the Audit Committee.

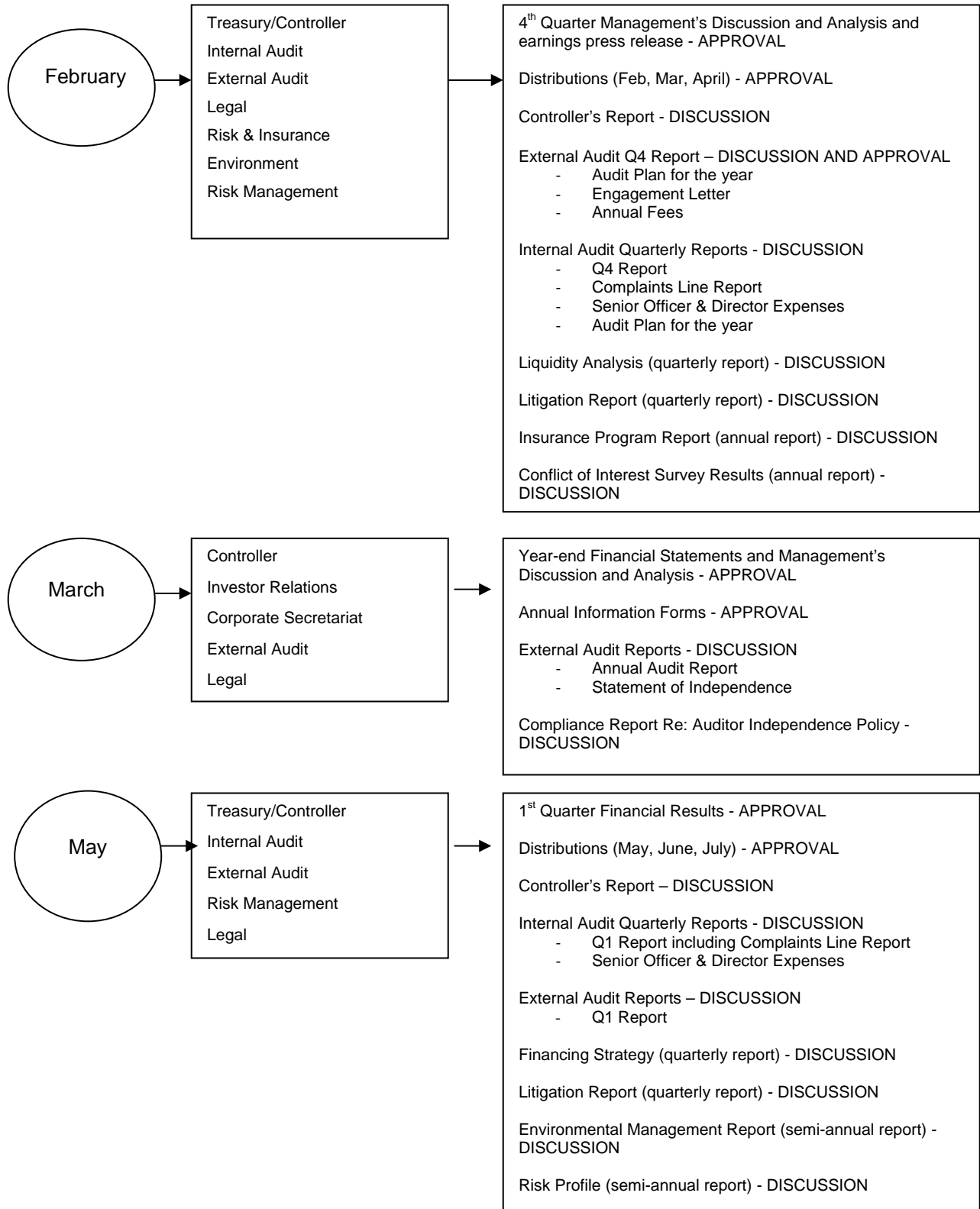
### **XI. Vacancies**

Vacancies at any time occurring shall be filled by resolution of the Board.

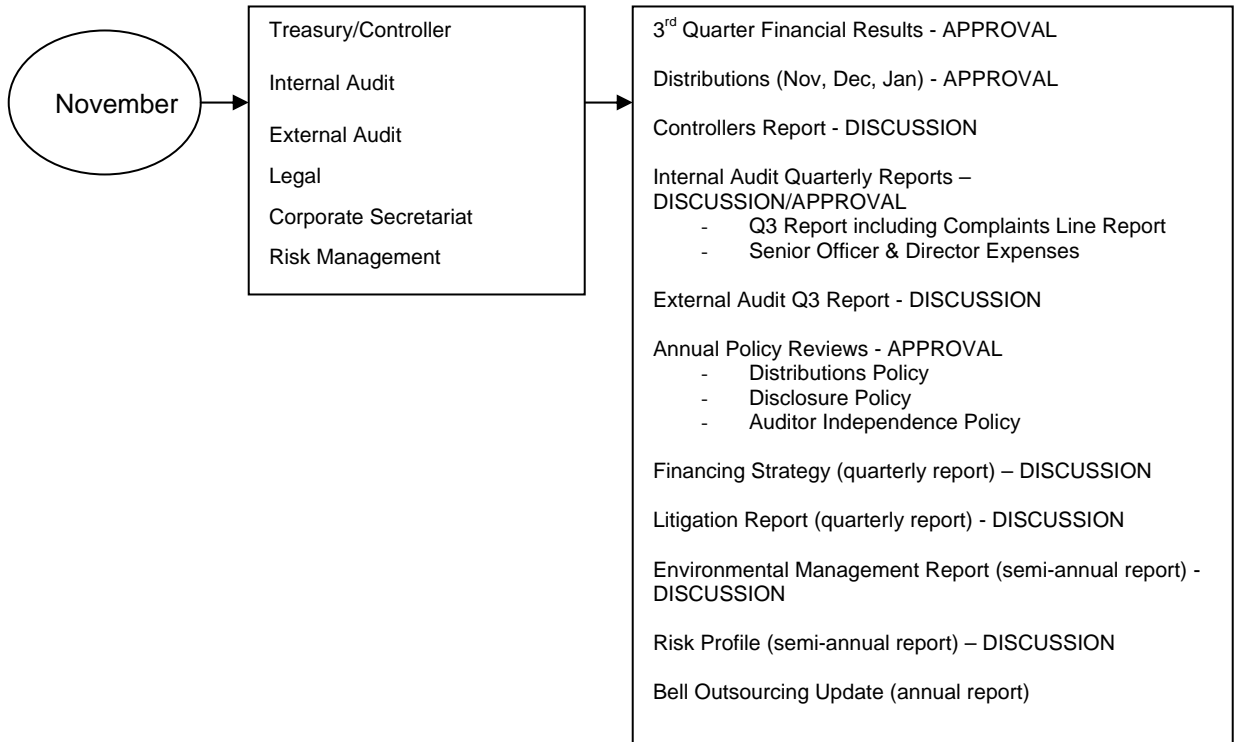
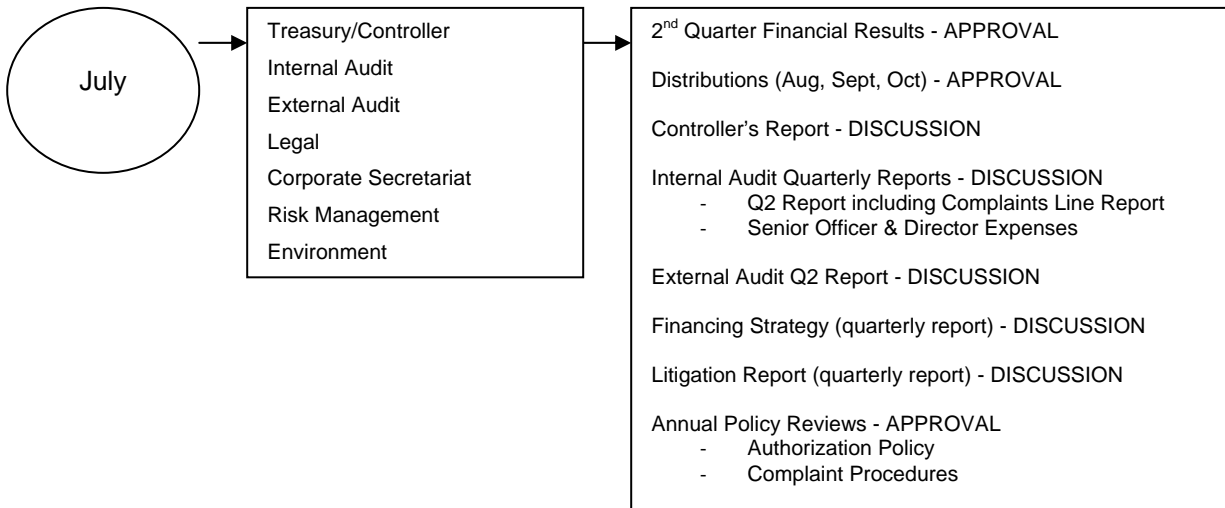
### **XII. Records**

The Audit Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board.

**APPENDIX B - AUDIT COMMITTEE FORWARD AGENDA**



**APPENDIX B - AUDIT COMMITTEE FORWARD AGENDA (continued)**



## APPENDIX C - GOVERNANCE COMMITTEE CHARTER

### I. Purpose

The purpose of the Governance Committee is to assist the Board in:

- A. developing and implementing Bell Aliant's governance guidelines;
- B. identifying individuals qualified to become Directors;
- C. determining the composition of the Board and its Committees;
- D. determining Director remuneration for Board and Committee service;
- E. developing and overseeing a process to assess the Board Chair, the Lead Independent Director, the Board, Board Committees, Chairs of Committees, and individual Directors; and
- F. overseeing Bell Aliant's policies concerning business conduct, ethics, public disclosure of material information and other matters.

In this Charter, references to "**Board**" refer to the Board of Directors of Bell Aliant Inc., Bell Aliant Regional Communications Inc., and 6583458 Canada Inc., as applicable.

### II. Duties and Responsibilities

The Governance Committee shall perform the functions customarily performed by governance and nominating committees and any other functions assigned by the Board. In particular, the Governance Committee shall have the following duties and responsibilities:

#### A. **Governance**

- 1. Report to the Board annually on matters of governance, including standards of performance for Directors, the size of the Board, the structure, charter and composition of Board Committees and Bell Aliant's recommendations regarding shareholder proposals received, as applicable;
- 2. Develop and recommend to the Board a Board of Directors Charter, as well as the disclosure of Bell Aliant's governance guidelines and principles in Bell Aliant's public disclosure documents, in accordance with applicable laws and regulations, and review such guidelines and principles periodically but not less than annually, and recommend changes as deemed necessary;
- 3. Develop and recommend to the Board a Governance Manual that includes policies regarding the following:
  - a. General responsibilities and functions of the Board its members;
  - b. The organization and responsibilities of Board Committees, including Committee Charters; and
  - c. The operations and procedures for Board meetings.

## **APPENDIX C – GOVERNANCE COMMITTEE CHARTER (continued)**

### **B. *Directors***

1. Identify, consider and recommend for approval by the Board candidates qualified to become new Directors, and the nominees for election and/or appointment at the next annual meeting of shareholders;
2. Develop and recommend to the Board appropriate qualifications/criteria for the selection of Board members, including criteria for determining Director independence;
3. Conduct an annual review of Director remuneration for Board and Committee service in relation to current norms, and recommend any change for approval of the Board; and
4. Assist in the orientation of newly elected/appointed Directors, including in becoming acquainted with Bell Aliant and its governance process, and encourage continuing education opportunities for all members of the Board.

### **C. *Policies***

1. Oversee the charitable contributions of Bell Aliant;
2. Review, report, and where appropriate, provide recommendations to the Board on Bell Aliant's Disclosure Policy, Code of Business Conduct, Insider Trading Policy, and other related policies and guidelines, and recommend changes as deemed appropriate; and
3. Assist the Board, as required, in interpreting and applying Bell Aliant's Disclosure Policy, the Code of Business Conduct, Insider Trading Policy, and other related policies and guidelines.

## **III. Evaluation of the Board, the Governance Committee and other Committees and Report to the Board**

### **A. The Governance Committee shall, on an annual basis:**

1. Develop and oversee a process to allow each Director to assess the effectiveness and performance of (i) the Board, the Board Chair and the Lead Independent Director; (ii) the Committees of the Board and their respective Chairs, and (iii) themselves as a member of the Board; and review with the Board the results of such assessments;
2. Evaluate, review and report to the Board on the performance of the Governance Committee; and
3. Review and discuss with each of the Committees of the Board the appropriateness of the Charter adopted by each such Committee, and as deemed appropriate recommend changes to the Board.

### **B. The Governance Committee shall report to the Board periodically on the Governance Committee's activities.**

## **IV. Outside advisors**

The Governance Committee shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Governance Committee in the performance of its functions. Bell Aliant shall provide appropriate funding for such advisors as determined by the Governance Committee. The Governance Committee shall have the authority to approve any engagement of outside counsel and other outside advisors by an individual Board member.

## **APPENDIX C – GOVERNANCE COMMITTEE CHARTER (continued)**

### **V. Membership**

The Governance Committee shall consist of such number of Directors, in no event to be less than 3, as the Board may from time to time by resolution determine. A majority of members of the Governance Committee shall be independent of Bell Aliant as determined by the Board in accordance with applicable laws, rules and regulations.

### **VI. Governance Committee Chair**

The Chair of the Governance Committee shall be appointed by the Board. The Chair of the Governance Committee leads the Governance Committee in all aspects of its work and is responsible to effectively manage the affairs of the Governance Committee and ensure that it is properly organized and functions efficiently. More specifically, the Chair of the Governance Committee shall:

- A. Provide leadership to enable the Governance Committee to act effectively in carrying out its duties and responsibilities as described elsewhere in this Charter and as otherwise may be appropriate;
- B. In consultation with the Board chair, the Lead Independent Director and the CEO, ensure that there is an effective relationship between management and the members of the Governance Committee;
- C. Chair meetings of the Governance Committee;
- D. In consultation with the CEO, the Corporate Secretariat, the Board chair, and the Lead Independent Director, determine the frequency, dates and locations of meetings of the Governance Committee;
- E. In consultation with the CEO, the Corporate Secretariat and, as required, other senior executives, review the meeting agendas to ensure all required business is brought before the Governance Committee to enable it to efficiently carry out its duties and responsibilities;
- F. Ensure, in consultation with the Board chair, and the Lead Independent Director, that all items requiring the Governance Committee's approval are appropriately tabled;

## **APPENDIX C – GOVERNANCE COMMITTEE CHARTER (continued)**

- G. Ensure the proper flow of information to the Governance Committee and review, with the CEO, the Corporate Secretariat and, as required, other senior executives, the adequacy and timing of materials in support of management's proposals;
- H. Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Governance Committee at the next meeting of the Board, following any meeting of the Governance Committee; and
- I. Carry out any special assignments or any functions as requested by the Board.

### **VII. Term**

The members of the Governance Committee shall be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual general meeting of the shareholders or until their successors are so appointed.

### **VIII. Procedures for meetings**

The Governance Committee shall fix its own procedure at meetings and for the calling of meetings. The Governance Committee shall meet separately in executive session in the absence of management, at each regularly scheduled meeting.

### **IX. Quorum and voting**

Unless otherwise determined from time to time by resolution of the Board, two members of the Governance Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Governance Committee Chair is absent, the Chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by the Governance Committee members, except where only two members are present, in which case any question shall be decided unanimously.

### **X. Secretary**

Unless otherwise determined by resolution of the Governance Committee, the Corporate Secretary of Bell Aliant or his/her delegate shall be the Secretary of the Governance Committee.

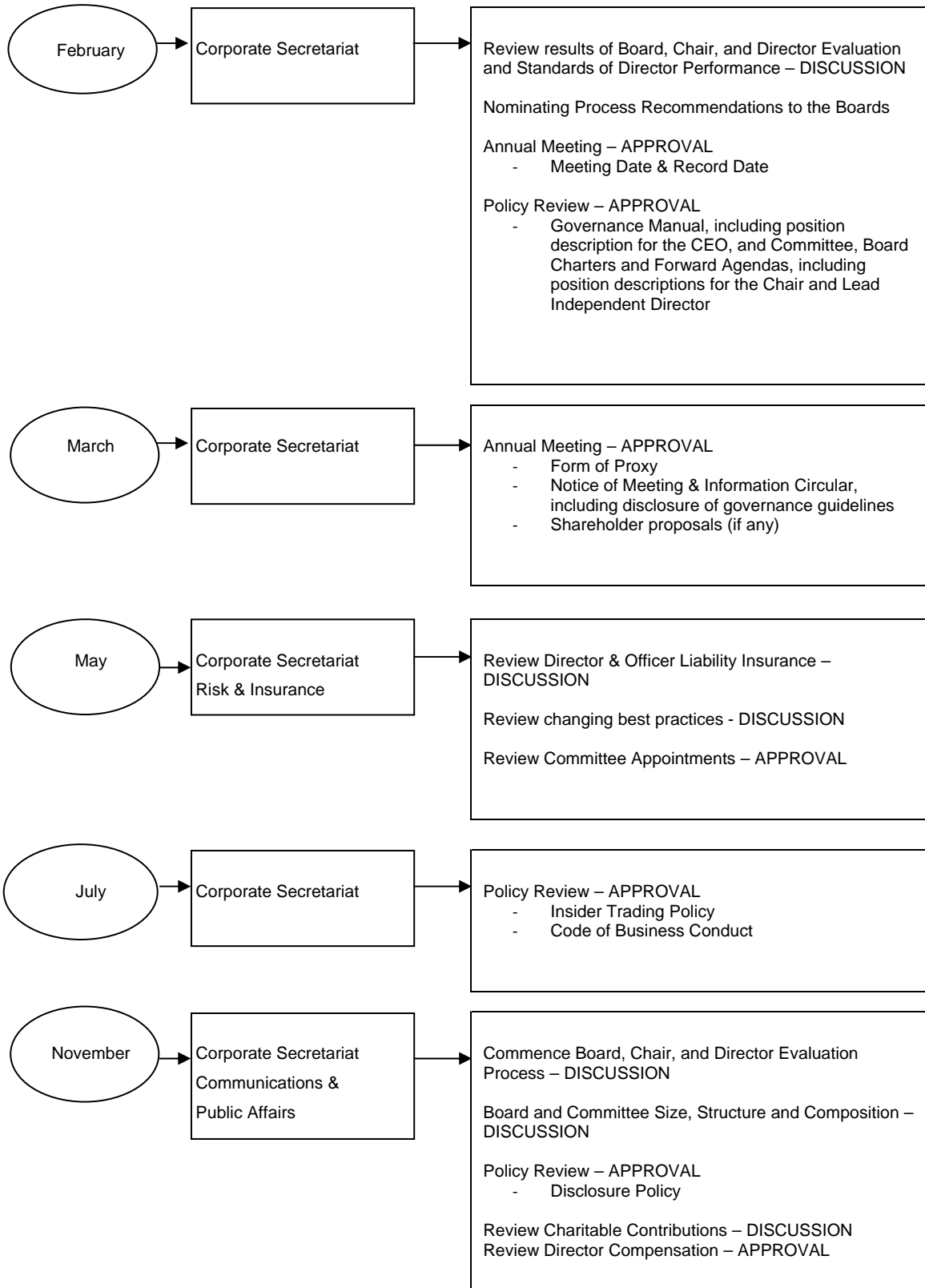
### **XI. Vacancies**

Vacancies at any time occurring shall be filled by resolution of the Board.

### **XII. Records**

The Governance Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board.

**APPENDIX C - GOVERNANCE COMMITTEE FORWARD AGENDA**



## APPENDIX D - MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE CHARTER

### I. Purpose

The purpose of the Management Resources and Compensation Committee is to assist the Board in its oversight responsibilities relating to, as applicable:

- A. The compensation, nomination, evaluation, and succession of senior executives (defined as Bands 1-3);
- B. Bell Aliant's health and safety policies and practices; and
- C. The appointment of Officers.

In this Charter, references to "**Board**" refer to the Board of Directors of Bell Aliant Inc., Bell Aliant Regional Communications Inc., and 6583458 Canada Inc., as applicable.

### II. Duties and Responsibilities

The Management Resources and Compensation Committee shall perform the functions customarily performed by compensation committees and any other functions assigned by the Board. In particular, the Management Resources and Compensation Committee shall have the following duties and responsibilities:

#### A. *Officers and Senior Executives*

1. Consider and recommend for approval by the Board the appointment of the Chief Executive Officer ("CEO") (subject to the terms of the Securityholders' Agreement) and all other Officers of Bell Aliant;
2. Review with the CEO management's assessment of existing management resources and plans for ensuring that qualified personnel will be available as required for succession to senior executive positions, and to report on this matter to the Board at least once each year;
3. Review and assess annually, in conjunction with the Board, the performance of the CEO against pre-set specific corporate and individual goals and objectives approved by the Management Resources and Compensation Committee; and
4. Review with the CEO the annual performance assessments of all other senior executives, and to report annually to the Board on these assessments.

#### B. *Compensation*

1. Oversee and recommend for approval by the Board Bell Aliant's executive compensation policy and to specifically consider and recommend annually for approval by the external Directors, all forms of compensation for the CEO;
2. Review and determine the compensation of each senior executive, and recommend individual executive compensation to the Board for their consideration and approval;
3. Recommend to the Board, for consideration, approval, and establishment by the Board, employee benefit plans to be granted to senior executives and guidelines with respect thereto; and

## APPENDIX D – MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE CHARTER (continued)

4. Following the approval of and establishment by the Board of a long-term incentive plan:
  - a. subject to confirmation by the Board, and subject to the terms of the plan, approve the grants under the long-term incentive plan;
  - b. suggest and review any amendments which the Committee considers necessary to the long-term incentive plan and make recommendations to the Board with respect to any amendments to such long-term incentive plan; provided however, that all amendments to such plan shall be subject to the consideration and approval of the Board; and
  - c. oversee all other administrative requirements with regard to the long-term incentive plan.
5. Following the approval of and establishment by the Board of other incentive compensation plans:
  - a. designate key employees as participants for the purposes of receiving incentive compensation, as needed;
  - b. suggest and review any amendments which the Committee considers necessary for the incentive compensation plans and make recommendations to the Board with respect to any amendments to such incentive plans; provided however, that all amendments to such plans shall be subject to the consideration and approval of the Board; and
  - c. oversee all other administrative requirements with regard to other incentive compensation plans.
6. Subject to the Board's approval of the establishment of all senior executive benefit plans and perquisites and within any guidelines established by the Board with respect thereto, review and approve benefits and perquisites to be granted to senior executives under all employee benefit plans including levels and types of benefits;
7. Review and approve all proposed enhancements to or detractions from the benefits accruing to employees under the pension plans;
8. Review any proposed major changes in Bell Aliant's benefit plans and recommend for approval any change requiring action by the Board;
9. Review Bell Aliant's annual report on executive compensation and/or compensation discussion and analysis for inclusion in public disclosure documents, in accordance with applicable rules and regulations; and
10. Review with the CEO any proposed major changes in organization or personnel.

### C. ***Oversight of the Bell Aliant's health and safety policies and practices***

1. Review, monitor, report and where appropriate, provide recommendations to the Board on Bell Aliant's health and safety policies and practices; and
2. When appropriate, ensure that Bell Aliant's subsidiaries establish health and safety policies and practices and review and report thereon to the Board.

## **APPENDIX D – MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE CHARTER (continued)**

### **III. Evaluation of the Management Resources and Compensation Committee and Report to the Board**

- A. The Management Resources and Compensation Committee shall evaluate and review with the Governance Committee of the Board, on an annual basis, the performance of the Management Resources and Compensation Committee;
- B. The Management Resources and Compensation Committee shall review and discuss with the Governance Committee of the Board, on an annual basis, the appropriateness of the Management Resources and Compensation Committee Charter; and
- C. The Management Resources and Compensation Committee shall report to the Board periodically on the Management Resources and Compensation Committee's activities.

### **IV. Outside advisors**

The Management Resources and Compensation Committee shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Management Resources and Compensation Committee in the performance of its functions. Bell Aliant shall provide appropriate funding for such advisors as determined by the Management Resources and Compensation Committee.

### **V. Membership**

The Management Resources and Compensation Committee shall consist of such number of Directors, in no event to be less than three, as the Board may from time to time by resolution determine. A majority of members of the Management Resources and Compensation Committee shall be independent of Bell Aliant as determined by the Board in accordance with applicable laws, rules and regulations.

### **VI. Management Resources and Compensation Committee Chair**

The Chair of the Management Resources and Compensation Committee shall be appointed by the Board. The Chair of the Management Resources and Compensation Committee leads the Management Resources and Compensation Committee in all aspects of its work and is responsible to effectively manage the affairs of the Management Resources and Compensation Committee and ensure that it is properly organized and functions efficiently. More specifically, the Chair of the Management Resources and Compensation Committee shall:

- A. Provide leadership to enable the Management Resources and Compensation Committee to act effectively in carrying out its duties and responsibilities as described elsewhere in this Charter and as otherwise may be appropriate;
- B. In consultation with the Board chair, the Lead Independent Director, and the CEO, ensure that there is an effective relationship between management and the members of the Management Resources and Compensation Committee;
- C. Chair meetings of the Management Resources and Compensation Committee;
- D. In consultation with the CEO, the Corporate Secretariat, the Board chair, and the Lead Independent Director, determine the frequency, dates and locations of meetings of the Management Resources and Compensation Committee;

## **APPENDIX D – MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE CHARTER (continued)**

- E. In consultation with the CEO, the Corporate Secretariat and, as required, other senior executives, review the meeting agendas to ensure all required business is brought before the Management Resources and Compensation Committee to enable it to efficiently carry out its duties and responsibilities;
- F. Ensure, in consultation with the Board chair, and the Lead Independent Director, that all items requiring the Management Resources and Compensation Committee's approval are appropriately tabled;
- G. Ensure the proper flow of information to the Management Resources and Compensation Committee and review, with the CEO, the Corporate Secretariat and, as required, other senior executives, the adequacy and timing of materials in support of management's proposals;
- H. Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Management Resources and Compensation Committee at the next meeting of the Board following any meeting of the Management Resources and Compensation Committee; and
- I. Carry out any special assignments or any functions as requested by the Board.

### **VII. Term**

The members of the Management Resources and Compensation Committee shall be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual general meeting of the shareholders or until their successors are so appointed.

### **VIII. Procedures for meetings**

The Management Resources and Compensation Committee shall fix its own procedure at meetings and for the calling of meetings. The Management Resources and Compensation Committee shall meet in executive session in the absence of management, at each regularly scheduled meeting.

### **IX. Quorum and voting**

Unless otherwise determined from time to time by resolution of the Board, two members of the Management Resources and Compensation Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Management Resources and Compensation Committee Chair is absent, the Chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by the Management Resources and Compensation Committee members, except where only two members are present, in which case any question shall be decided unanimously.

### **X. Secretary**

Unless otherwise determined by resolution of the Management Resources and Compensation Committee, the EVP, Corporate Services & Chief Legal Officer of Bell Aliant or his/her delegate shall be the Secretary of the Management Resources and Compensation Committee.

### **XI. Vacancies**

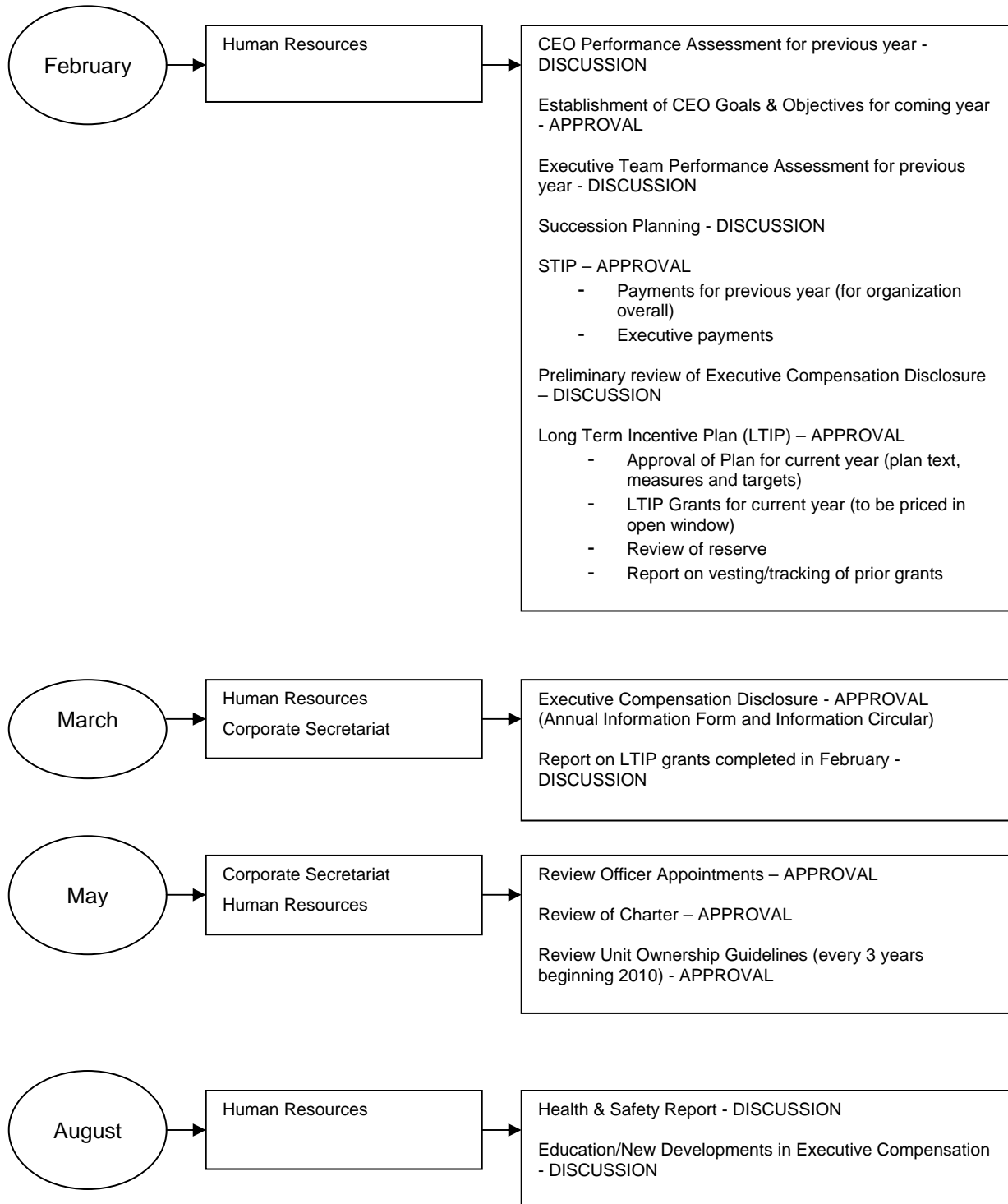
Vacancies at any time occurring shall be filled by resolution of the Board.

**APPENDIX D – MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE CHARTER  
(continued)**

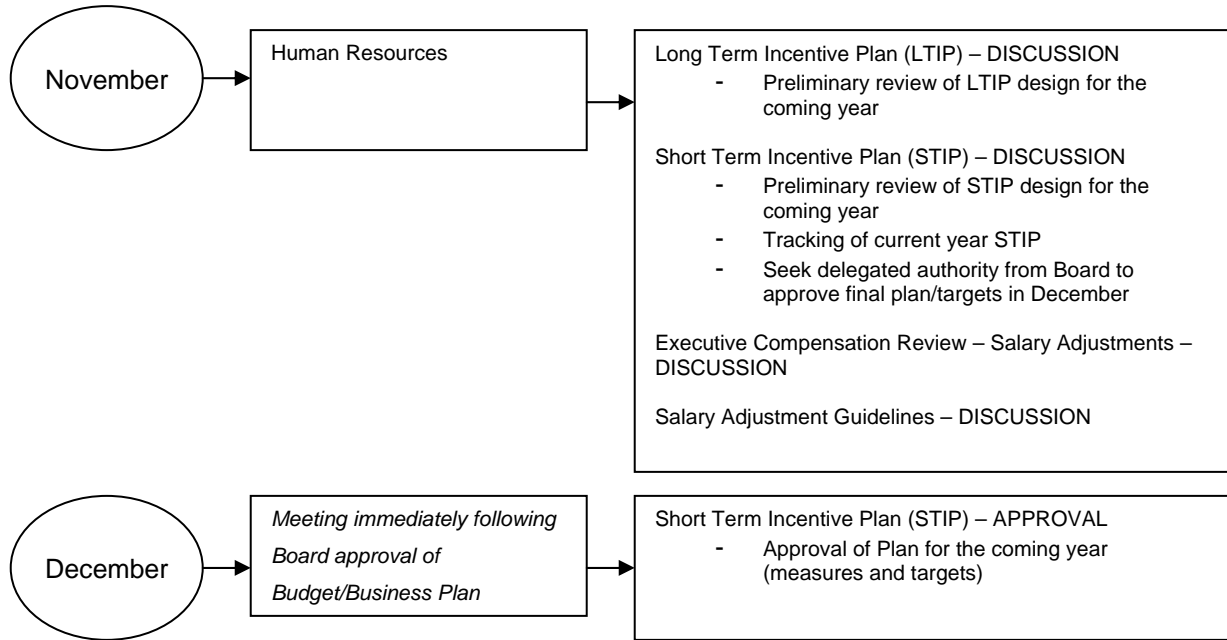
**XII. Records**

The Management Resources and Compensation Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board as appropriate.

**APPENDIX D - MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE FORWARD AGENDA**



**APPENDIX D - MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE  
FORWARD AGENDA (continued)**



## APPENDIX E - PENSION COMMITTEE CHARTER

### I. Purpose

The purpose of the Pension Committee is to assist the Board in its oversight responsibilities related to:

- A. the administration, funding and investment of Bell Aliant's pension plans (the "**Plans**") and trust funds (the "**Funds**"); and
- B. any unitized pooled funds sponsored by Bell Aliant for the collective investment of the assets of the Plans (i.e. "**Master Trust Fund(s)**").

In this Charter, the "**Board**" refers to the Board of Directors of Bell Aliant Inc., Bell Aliant Regional Communications Inc., and 6583458 Canada Inc.

### II. Duties and Responsibilities

The Pension Committee shall perform the functions customarily performed by pension committees and any other functions assigned by the Board. In particular, the Pension Committee shall have the following duties and responsibilities:

#### A. *Establishment of Strategy and Policies*

- 1. Review any proposed change in Bell Aliant's Plans and in particular, the impact on the Plans' liabilities and funding of proposed changes to benefits under the Plans and advise the Board thereon;
- 2. Approve long-term funding objectives in relation to the Plans' liabilities; and
- 3. At least annually, confirm, or approve changes to, the Statements of Investment Policies and Procedures of the Plans and/or Master Trust Funds, including the long-term asset mixes to be followed.

#### B. *Appointments of Agents and Delegation to Management or a Management-level Committee*

- 1. Approve the appointment or removal of the actuary for the Plan;
- 2. Approve the appointment (including the terms thereof and any changes thereto), or removal, of the custodian(s), trustee(s), record-keeper(s), or investment manager(s) (including the allocation of assets to each such investment manager), for the Funds and/or Master Trust Funds; and
- 3. Appoint members to a management-level committee and delegate to such committee (or to management, if such committee is not appointed), any responsibilities determined by the members of the Pension Committee to be of an operational nature with respect to the administration and investment of the Plan, Funds and Master Trust Fund.

#### C. *High-Level Monitoring*

- 1. Review at least annually the policies and procedures in place for carrying out Bell Aliant's responsibilities as employer and administrator of the Plans, including supervision and monitoring procedures;
- 2. Review and approve the audited financial statements of the Plans;

## **APPENDIX E - PENSION COMMITTEE CHARTER (continued)**

3. On a periodic basis, as determined by the Pension Committee, obtain and review a report on investment performance;
4. On a periodic basis, as determined by the Pension Committee, receive reports on the educational communication processes for employees;
5. Review and approve the actuarial evaluations of the Plans; and
6. On a periodic basis, as determined by the Pension Committee and as requested by the DC Pension Information Committee, receive, review and consider reports of the DC Pension Information Committee.

### **III. Evaluation of the Pension Committee and Report to Board**

- A. The Pension Committee shall evaluate and review with the Governance Committee of the Board, on an annual basis, the performance of the Pension Committee;
- B. The Pension Committee shall review and discuss with the Governance Committee of the Board, on an annual basis, the appropriateness of the Pension Committee Charter; and
- C. The Pension Committee shall report to the Board periodically on the Pension Committee's activities.

### **IV. Outside advisors**

The Pension Committee shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Pension Committee in the performance of its functions. Bell Aliant shall provide appropriate funding for such advisors as determined by the Pension Committee.

### **V. Membership**

The Pension Committee shall consist of such number of Directors, in no event to be less than three, as the Board may from time to time by resolution determine.

### **VI. Pension Committee Chair**

The Chair of the Pension Committee shall be appointed by the Board. The Chair of the Pension Committee leads the Pension Committee in all aspects of its work and is responsible to effectively manage the affairs of the Pension Committee and ensure that it is properly organized and functions efficiently. More specifically, the Chair of the Pension Committee shall:

- A. Provide leadership to enable the Pension Committee to act effectively in carrying out its duties and responsibilities as described elsewhere in this Charter and as otherwise may be appropriate;
- B. In consultation with the Board Chair, the Lead Independent Director and the Chief Executive Officer ("CEO"), ensure that there is an effective relationship between management and the members of the Pension Committee;
- C. Chair meetings of the Pension Committee;
- D. In consultation with the CEO, the Corporate Secretariat, the Board Chair and the Lead Independent Director, determine the frequency, dates and locations of meetings of the Pension Committee;

## **APPENDIX E - PENSION COMMITTEE CHARTER (continued)**

- E. In consultation with the CEO, the Corporate Secretariat and, as required, other senior executives, review the meeting agendas to ensure all required business is brought before the Pension Committee to enable it to efficiently carry out its duties and responsibilities;
- F. Ensure, in consultation with the Board Chair and Lead Independent Director, that all items requiring the Pension Committee's approval are appropriately tabled;
- G. Ensure the proper flow of information to the Pension Committee and review, with the CEO, the Corporate Secretariat and, as required, other senior executives, the adequacy and timing of materials in support of management's proposals;
- H. Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Pension Committee at the next meeting of the Board following any meeting of the Pension Committee; and
- I. Carry out any special assignments or any functions as requested by the Board.

### **VII. Term**

The members of the Pension Committee shall be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual general meeting of the shareholders or until their successors are so appointed.

### **VIII. Procedures for meetings**

The Pension Committee shall fix its own procedure at meetings and for the calling of meetings.

### **IX. Quorum and voting**

Unless otherwise determined from time to time by resolution of the Board, two members of the Pension Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Chair of the Pension Committee is absent, the Chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by members of the Pension Committee, except where only two members are present, in which case any question shall be decided unanimously.

### **X. Secretary**

Unless otherwise determined by resolution of the Board, the Corporate Secretary of Bell Aliant or his/her delegate shall be the Secretary of the Pension Committee.

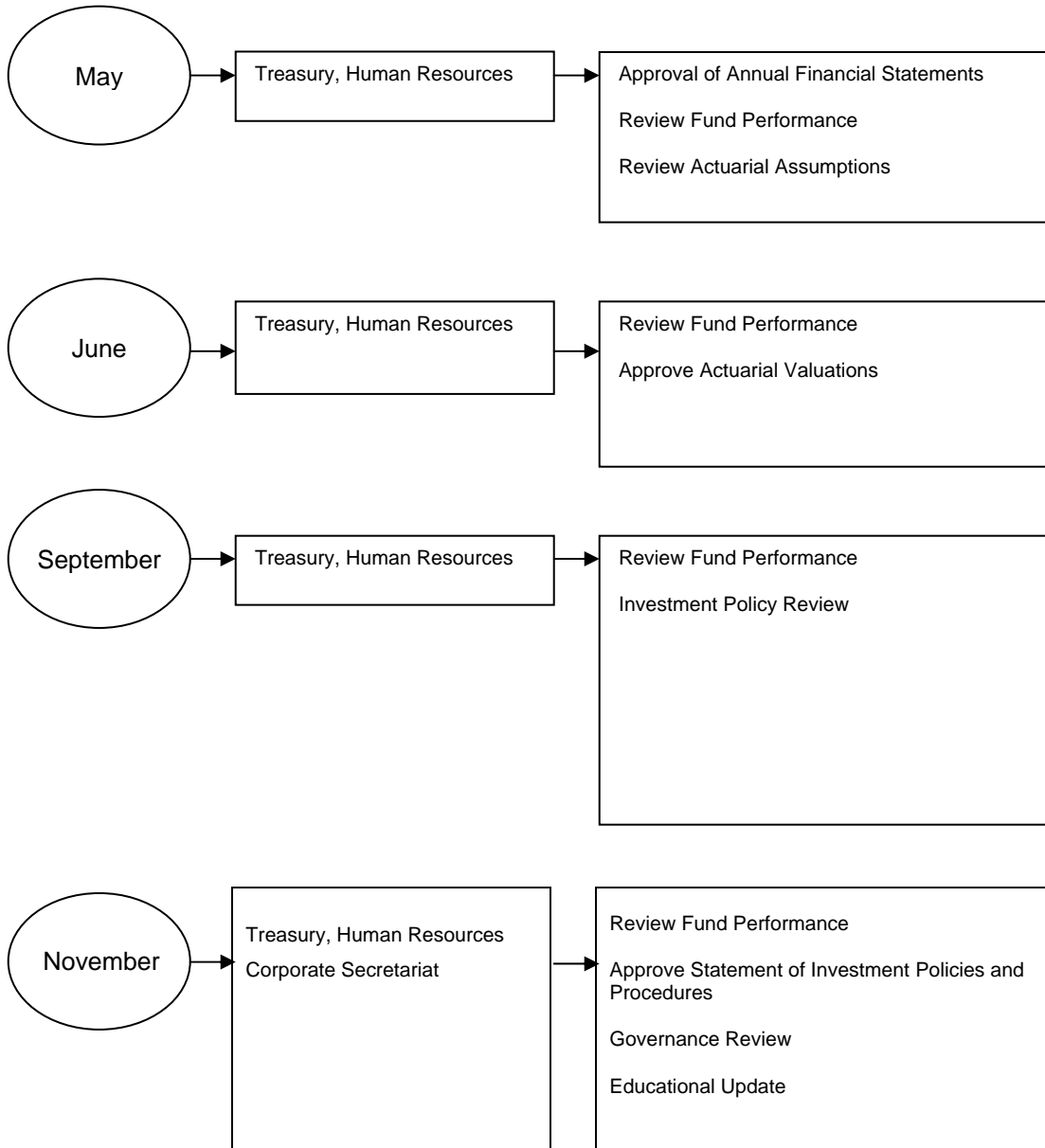
### **XI. Vacancies**

Vacancies at any time occurring shall be filled by resolution of the Board.

### **XII. Records**

The Pension Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board as appropriate.

## APPENDIX E - PENSION COMMITTEE FORWARD AGENDA



## APPENDIX F – CEO POSITION DESCRIPTION

The Chief Executive Officer (“**CEO**”) of Bell Aliant Inc. and Bell Aliant Regional Communications Inc. (collectively, “**Bell Aliant**”), has the primary responsibility for the management of the business and affairs of Bell Aliant. As such, the CEO shall establish the strategic and operational orientation of Bell Aliant and, in so doing, provide leadership and vision for the effective overall management, profitability, increasing shareholder value and growth of Bell Aliant and for conformity with policies agreed upon by the Board. The CEO is directly accountable to the Board for all activities of Bell Aliant.

More specifically, in collaboration with the Board, the CEO shall:

A. ***Leadership***

1. Create a culture within Bell Aliant that supports the achievement of strategic and operational objectives by ensuring rigour in the recruitment, selection, individual development and the monitoring of executive team members and other senior management personnel, thus ensuring Bell Aliant maintains a strong succession plan;
2. Provide leadership and vision for Bell Aliant and promote Bell Aliant's goal of profitability and growth in a sustainable and responsible manner;
3. Develop an awareness of global trends in Bell Aliant's core lines of operations so as to manage rapid technological developments; and
4. Promote an environment of customer focus and outstanding customer service so as to respond to the demands of increasingly service-oriented markets.

B. ***Corporate Social Responsibility & Integrity***

1. Develop and maintain a corporate culture that promotes integrity and ethical values throughout the organization, fostering a culture of ethical business conduct; and
2. Promote and protect Bell Aliant's reputation in its markets and with all customers, communities, and government and regulatory bodies.

C. ***Strategy, Risks and Budget***

1. Develop and oversee the execution of, and monitor progress of, the business plan and the annual operating and capital budgets; and
2. Identify and develop plans to manage the principal risks with respect to Bell Aliant and its businesses.

D. ***Governance & Policies***

1. Oversee the development and implementation of, and compliance with, key corporate policies, including policies regarding corporate governance, social responsibility, risk management and financial reporting, as well as compliance with applicable legal and regulatory requirements; and
2. Work in close collaboration with Board chair and Lead Independent Director to determine the scheduling of, and agendas for, meetings of the Board and Committees so as to ensure that Directors are kept apprised in a timely manner of the business operations and main issues facing Bell Aliant, and to ensure there is an effective relationship between management and the members of the Boards.

## APPENDIX F – CEO POSITION DESCRIPTION (continued)

### E. *Business Management*

1. Approve commitments within the limits of delegated approval authorities from the Board and provide general supervision and management of the day-to-day business and affairs of Bell Aliant; and
2. Serve as Bell Aliant's chief spokesperson to its principal stakeholders including its shareholders, the financial community, customers, government and regulatory bodies and the public generally.

### F. *Disclosure*

1. Together with the Disclosure and Compliance Committee and the Chief Financial Officer (“CFO”), ensure appropriate and timely disclosure of material information; and
2. Together with the CFO:
  - a) establish and maintain Bell Aliant's disclosure controls and procedures through appropriate policies and processes;
  - b) establish and maintain Bell Aliant's internal controls over financial reporting through appropriate policies and procedures; and
  - c) develop the process for, and comply with, the certifications to be provided in Bell Aliant's public disclosure documents.

### G. *Other*

1. Carry out any other appropriate duties and responsibilities assigned by the Board.

## APPENDIX G - CONFLICT OF INTEREST POLICY

### I. General

As an overriding responsibility, Directors must act honestly and in good faith with a view to the best interests of Bell Aliant and apply due diligence and skill in discharging their responsibilities.

#### A. ***Responsibility to Avoid Conflict of Interest***

In general, with respect to matters pertaining to Bell Aliant's business, Directors have a responsibility to give undivided loyalty to Bell Aliant as a whole. They must refrain from engaging in personal activities that would injure or take advantage of Bell Aliant. They must not use their position of trust and confidence to further their private interests at the expense of Bell Aliant.

It is the responsibility of a Director to disclose his/her own interests which may conflict with, or have the appearance of conflict with, the interests of Bell Aliant.

Examples of conduct that would be in a conflict of interest:

- Directors may not realize secret profits or unfair gain through personal transactions with or on behalf of Bell Aliant;
- Directors may not compete with Bell Aliant to its detriment or act as an agent for competitors;
- Directors may not act as advisors or consultants to competitors of Bell Aliant;
- Directors may not take personal advantage of a Bell Aliant opportunity; and
- Directors may not realize personal gain from the use of material from non-public Bell Aliant information.

In summary, Directors must not put themselves in a position where their personal interest is in conflict with the interests of Bell Aliant, or the interests of their family, friends, partners or other entities (e.g. companies where ownership exceeds a 10% interest) are in conflict with the interests of Bell Aliant.

A Director has a duty to declare his/her interest, and refrain from voting on a matter where he/she has direct or indirect interest in a contract or proposed contract with Bell Aliant. In practice, Directors should take themselves completely out of the consideration of a particular matter where there may be even a perception of a conflict or a perception that they may not bring objective judgment to the consideration of the matter. Directors should declare their interest, refrain from voting, and in appropriate circumstance absent themselves from the discussion. In the event a potential conflict of interest is ongoing, the Director involved should declare the conflict and the Board will determine the appropriate action that should be taken with regard to this conflict.

#### B. ***Duty of Confidence***

Directors have a duty of confidence towards Bell Aliant and they must not misuse information obtained from Bell Aliant by virtue of their position as a Director on the Board. They must keep information confidential where the information is confidential by nature and/or was communicated in confidence.

#### C. ***Duty of Opportunity***

Directors must avoid even a perception that they have appropriated an opportunity that belonged to Bell Aliant. A Director who takes advantage of such opportunity, which they become aware of by virtue of their position as a Director, has acted counter to their fiduciary duty to Bell Aliant.

## **APPENDIX G - CONFLICT OF INTEREST POLICY (continued)**

### **D. *Insider Trading***

There is a statutory prohibition on insider trading. Directors have a duty to ensure they do not profit by trading in Bell Aliant or an affiliate's securities with information that they have about Bell Aliant as a result of their position as a Director until that information has been generally disclosed. Directors are obliged to comply with Bell Aliant's policy regarding insider trading.

## APPENDIX H - DIRECTOR SELECTION PROCESS

### I. Search Process

When a vacancy occurs on the Board of Directors and such vacancy is to be filled by a Board nominee/appointee, the Governance Committee (the "**Committee**") will follow the following process:

#### A. **Strategic Objectives**

The Committee will review Bell Aliant's current strategic objectives to determine the implications of such objectives for the composition of the Board.

#### B. **Current Skill, Experience and Board Dynamics Analysis**

The Committee will review the background, experience and skills of each Director, along with the current Board dynamics to determine current Board strengths and needs. For this purpose, the Committee will develop a matrix of existing Directors' skills, knowledge and experience.

#### C. **Divergence Analysis**

The Committee will review the information it has assembled about existing skills and dynamics in light of Bell Aliant's strategic objectives. This information will be used to assess whether the current Board represents a mix of skills, experience and individual characteristics required for collective effectiveness.

#### D. **Development of Criteria**

Bearing in mind the divergence analysis, the Committee will develop the criteria for the selection of new Directors, to ensure it complements the current Board composition and fills any gaps. Using the results of the divergence analysis, the Committee will develop a profile of skills, knowledge and experience required of potential candidates, that is consistent with the general selection criteria outlined below and that reflects Bell Aliant's values.

#### E. **Search Process**

The Committee may in its discretion identify candidates for consideration as potential Directors. The Committee may use the services of outside consultants in searching for candidates. In identifying candidates, the Committee shall determine whether an individual fits the general selection criteria and the profile developed by the Committee. The Committee will consider the interplay of the candidate's attributes with the experience and attributes of other Board members.

#### F. **Selection Process**

The Board Chair and the Chief Executive Officer, together with the Chair of the Governance Committee, will interview the candidates. The Committee will review the reports of the interviews and make the recommendation it deems appropriate.

The formal invitation to join the Board will be extended on behalf of the Board by the Chair of the Board after discussion with and approval by the Committee and the full Board.

## APPENDIX H - DIRECTOR SELECTION PROCESS (continued)

### II. General Selection Criteria

#### *Individual Qualifications*

In general, the Board will consider individuals

- A. prominent and active in any of a broad variety of businesses, institutions or professions and who would bring a diversity of views and experience to the Board;
- B. with knowledge/experience relevant to the success of a publicly-traded company;
- C. familiar with the Atlantic, Quebec and/or Ontario regions and the telecommunications and information technology industries;
- D. who demonstrate the ability to take into account and incorporate many perspectives at once, who are incisive and exercise sound business judgment and who demonstrate independence of mind;
- E. who demonstrate integrity, honesty and the ability to generate public confidence and maintain the goodwill and confidence of Bell Aliant's investors;
- F. with the ability to provide thoughtful and experienced counsel on a broad range of issues and to develop a depth of knowledge of the business of Bell Aliant;
- G. who are collegial and respectful of, but not deferential to, others views; and
- H. possess adequate time, capability and willingness to fulfill the responsibilities of Director.

#### *Composition of the Board as a Whole*

- A. a diversity of background, perspective and skills related to Bell Aliant's strategic objectives; and
- B. a diversity of race, gender, language and age.

## **APPENDIX I - PROCEDURE FOR HIRING OUTSIDE COUNSEL OR CONSULTANTS**

The following procedure is to be used by a Director who feels that he or she needs to hire, at Bell Aliant's cost, an outside legal counsel or an outside consultant to provide guidance on an issue within his/her mandate as a Director:

- A. The Director is to approach the Chair of the Board with the request for outside legal counsel or an outside consultant. The request can be verbal or in written form;
- B. The Chair of the Board will evaluate the request and provide a ruling to the Director within a reasonable period of time; and
- C. If the Director is unhappy with the ruling provided, he or she can direct the request to the Governance Committee for consideration. The ruling of the Governance Committee can be appealed to the full Board.

## **APPENDIX J – MINIMUM UNIT OWNERSHIP POLICY**

The Board considers it important that Directors be subject to a minimum unit ownership policy, so as to align the interests of the Directors with those of Bell Aliant's investors. Accordingly, the following rules and guidelines apply to all Bell Aliant Directors except BCE/Bell Canada officers and employees, effective January 1, 2007:

1. Bell Aliant Directors shall be required to hold a minimum of \$250,000 in Bell Aliant units or deferred units within three (3) years of becoming a Bell Aliant Director.

## **APPENDIX K – POLICY REGARDING LOANS TO DIRECTORS AND OFFICERS**

The Board has determined that it is inappropriate for Bell Aliant to provide loans to its Directors and Officers. Therefore, it is the policy of Bell Aliant that such loans shall be prohibited.

**DETAILS**

<b>Policy</b>	Governance Manual
<b>Issuing Business Unit</b>	Legal Services and Corporate Secretariat Group
<b>Policy Sponsor</b>	Fred Crooks, Executive Vice President Corporate Services, Chief Legal Officer and Corporate Secretary
<b>Policy Owner</b>	David Klassen, Vice President and General Counsel
<b>Contacts</b>	Clare Roughneen, Assistant Corporate Secretary (902) 487-3166
<b>Required Approvals</b>	Board of Directors Officer of Bell Aliant Regional Communications Holdings Inc. (Editorial and Non Substantive Changes only)
<b>Effective Date</b>	July 7, 2006
<b>Review Cycle</b>	Annual (Manual reviewed annually; Charters and Forward Agendas reviewed annually)

**REVISION HISTORY**

<b>Date</b>	<b>Change Owner</b>	<b>Approved By</b>	<b>Version</b>	<b>Description</b>
July 2006	(n/a)	Board of Directors	1.0	- Original
January 2007	Assistant Secretary	CLO	1.1	- editorial changes
February 2008	Assistant Secretary	Board of Directors	2.0	- updates re: majority voting policy and performance assessment process - updates to Charters and Forward Agendas - editorial changes - minor updates and clarifications
October 2008	Assistant Secretary	Board of Directors	2.1	- editorial change and minor updates to Charters and Forward Agendas
May 2009	Assistant Secretary	Board of Directors	3.0	- editorial changes and minor updates to Manual
July 2009	Secretary	Board of Directors	3.1	- revisions to MRCC Forward Agenda
November 2009	Assistant Secretary	Board of Directors and Assistant Secretary (editorial changes only)	3.3	- revisions to Board and Committee Charters and Forward Agendas - updates to Section VII – performance assessment process - editorial changes
January 2011	Corporate Secretary	Board of Directors	4.0	- Adoption by Bell Aliant Inc.