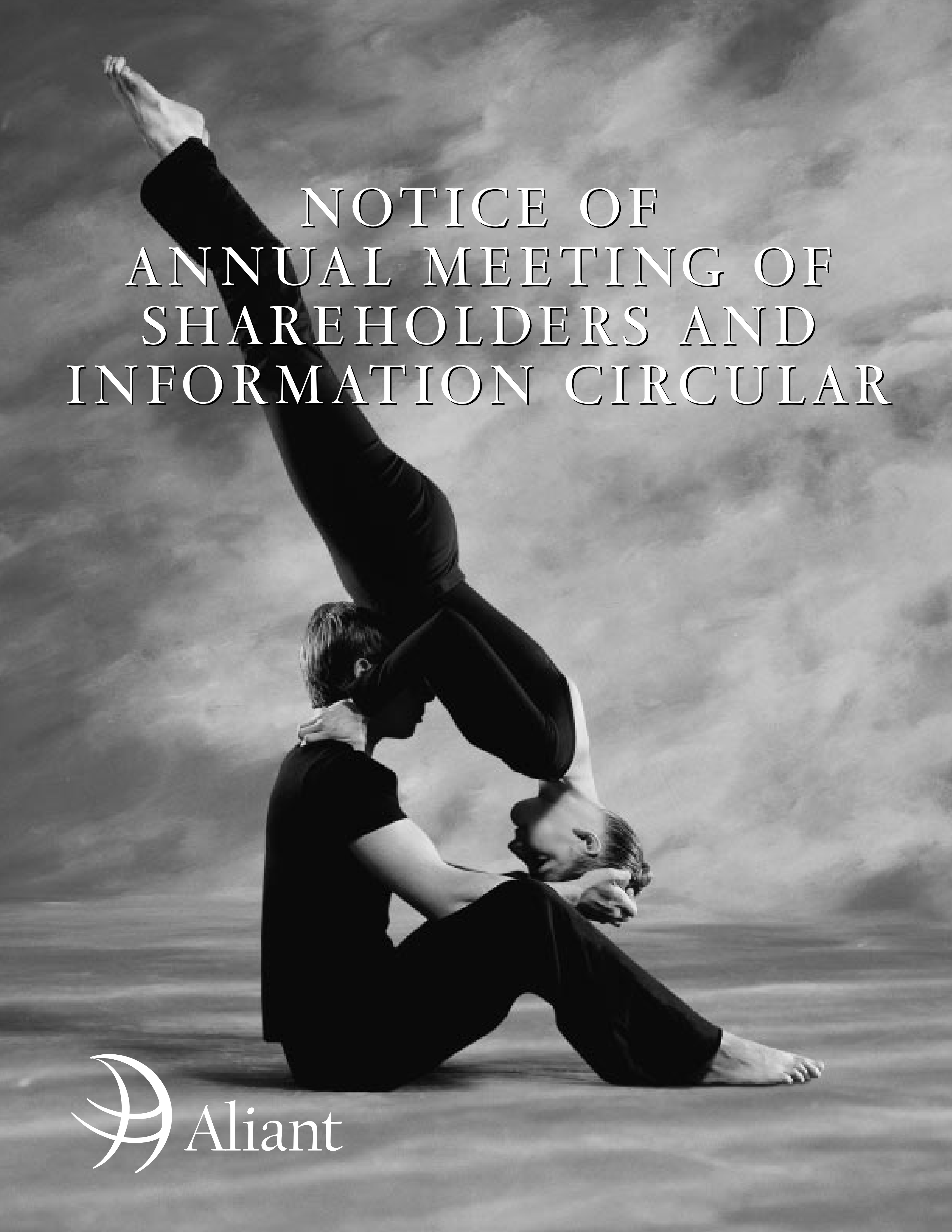
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND INFORMATION CIRCULAR



Aliant

What's inside

Notice of annual meeting of shareholders

Management invites each shareholder to attend the meeting in person. Whether or not you expect to attend, we hope you will complete, sign and return the enclosed proxy in the postage-paid envelope. If you are able to attend the meeting, sending your proxy will not prevent you from voting in person. Please refer to the information circular for details of items of business to be transacted at the meeting.

NOTICE IS GIVEN that the annual meeting of shareholders of Aliant Inc. will be held at the Trade and Convention Centre, in the Marco Polo Room, Saint John, New Brunswick, on Friday April 20, 2001 at 10:30 a.m. *(local time)* for the following purposes:

(1) to receive the report of the directors, the consolidated financial statements for the year ended December 31, 2000, and the report of the auditors on the financial statements;
(2) to elect directors for the ensuing year;
(3) to appoint auditors to hold office until the close of the next annual meeting of shareholders and to authorize the directors to fix their remuneration; and,
(4) to transact such other business as may properly be brought before the meeting.

Shareholders registered at the close of business on March 5, 2001 will receive notice of the annual meeting and will be entitled to vote, in person or by proxy, at the meeting.

March 5, 2001
By order of the board of directors
Barrie H. Black
Vice president, General Counsel and Corporate Secretary

Information circular

This information circular is furnished in connection with the solicitation of proxies by management of Aliant Inc. (the "Corporation" or "Aliant") for use at the annual meeting of shareholders of the Corporation to be held on Friday, April 20, 2001 at 10:30 a.m. (local time) and at any and all adjournments thereof (the "meeting").

Proxies

The enclosed proxy is solicited by management of Aliant for use at the meeting. A shareholder has the right to appoint a person to represent him or her, other than the management nominee named in the proxy, by inserting the name of such person in the space indicated on the proxy. The common shares of the Corporation represented by proxy will be voted for or withheld from voting in accordance with the instructions of the shareholder on any ballots that may be called. The proxy will be voted "for" any matter in respect of which no choice is specified and confers discretionary authority with respect to all amendments or variations to matters identified in the notice of annual meeting of shareholders and any other matter, which may properly come before the meeting.

A proxy may be revoked by the shareholder giving such proxy, at any time before it is voted: (1) by depositing a written instrument of revocation or a proxy of later date executed by the shareholder or the shareholder's attorney authorized in writing; (a) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the meeting, at which the proxy is to be used; or (b) with the chairman on the day of the meeting; or (2) in any other manner permitted by law.

The cost of solicitation of proxies by management will be borne by the Corporation. The solicitation will be primarily by mail, but directors, officers and employees of the Corporation or employees of the Corporation's transfer agent, CIBC Mellon Trust Company, may also solicit proxies by telephone or in person.

Proxies to be used at the meeting must be received by the transfer agent before 10:30 a.m. on April 18, 2001.

Voting shares and principal holder

Common shareholders of record as at the close of business on March 5, 2001, being the record date for the meeting, will be entitled to one vote for each share registered in such shareholder's name, unless such shareholder has transferred any shares after that date and the new holder of such shares produces a certificate in the new holder's name or a properly endorsed share certificate or otherwise establishes ownership of such shares and requests, not later than the close of business ten days prior to the meeting date, that the holder's name be included in the list of shareholders entitled to vote at the meeting. Such request may be sent to the corporate secretary of the Corporation.

As of March 5, 2001, there were 134,651,067 outstanding common shares of the Corporation. To the knowledge of the directors and officers of the Corporation, the only person or corporation beneficially owning, directly or indirectly, or exercising control or direction over common shares carrying more than 10% of the voting rights attached to all common shares of the Corporation is BCE Inc. ("BCE"). BCE is the beneficial owner of 71,337,316 common shares, representing 53% of those outstanding. The directors as a group beneficially owned or controlled 146,981 common shares of the Corporation as of March 5, 2001.

Matters to be acted upon by the shareholders at the meeting

The following are the matters to be acted upon at the meeting (as itemized in the notice of meeting):

Item 1 – Annual report and financial statements

The report of the directors to the shareholders, the financial statements of the Corporation for the year ended December 31, 2000 and the report of the auditors on the financial statements will be submitted to the meeting.

Item 2 – Election of directors

The articles of the Corporation provide that the board of directors of the Corporation shall consist of not less than three (3) and not more than nineteen (19) directors. Management proposes the sixteen (16) persons named hereinafter on page 3 as nominees for election as directors, to hold office until the close of the next annual meeting of shareholders. The

Directors

Name and position or office	Principal occupation	Director since	Share units as of December 31, 2000	Common shares [1]	
Miller H. Ayre	Publisher The Telegram (Newspapers)	April 22, 1999	3,103.24[2]	Aliant	1,639
J. Charles Caty	Corporate Director	April 22, 1999	799.85	Aliant	2,803
Lino J. Celeste *Chairman*	Chairman of the Board of the Corporation	April 22, 1999	2,661.59	Aliant iMagicTV Stratos	65,138 2,000 1,000
Gary Davis	Vice President and Controller BCE Inc. and Bell Canada	New Nominee	—		—
Robert P. Dexter, Q.C.	Chairman and Chief Executive Officer Maritime Marlin Travel (Group) Limited	April 22, 1999	1,644.34	Aliant	1,814
Ivan E. H. Duvar	Corporate Director	April 22, 1999	799.85	Aliant	12,528
Albert E. P. Hickman	Chairman and President Hickman Motors Ltd.	April 22, 1999	1,646.33[2]	Aliant Stratos	5,895 62,100
Dr. Margot Northey	Dean, School of Business Queen's University	New Nominee	—		—
Edward Reevey	Chief Executive Officer Addee Developments Limited and Eedda Capital Inc. (Private holding corporation)	April 22, 1999	799.85	Aliant	27,198
Randall J. Reynolds	President Bell Nexxia (Telecommunications)	April 22, 1999	—	Aliant	2,000
Alan K. Scales, Q.C.	Counsel Stewart McKelvey Stirling Scales (Law firm)	April 22, 1999	1,553.68	Aliant Stratos	1,500 2,400
John W. Sheridan	President Bell Canada (Telecommunications)	April 25, 2000	—	Aliant	1,500
Donald C. R. Sobey	Chairman Empire Corporation Limited (Holding corporation)	April 22, 1999	1,134.27	Aliant	20,508
Catherine Tait	President and Chief Operating Officer Salter Street Films Limited	New Nominee	—		—
Stephen G. Wetmore *President and Chief Executive Officer*	President and Chief Executive Officer of the Corporation	April 22, 1999	N/A	Aliant	2,958
Charles W. White, Q.C.	Partner White Ottenheimer and Baker (Law firm)	April 22, 1999	2,586.69[2]	Aliant iMagicTV	1,500 2,000

1) Common shares of the Corporation and its subsidiaries beneficially owned or over which control or direction was exercised as of December 31, 2000.
Definitions: iMagicTV Inc. – iMagicTV, Stratos Global Corporation – Stratos

2) These figures include share units granted under the NewTel Enterprises Limited share unit plan.
A description of the Aliant share unit plan is contained in the remuneration of directors section of this information circular.

persons nominated in this information circular are, in the opinion of management, qualified to direct the activities of the Corporation until the next annual meeting of shareholders and all nominees have indicated their willingness to stand for election.

It is the intention of the persons whose names are printed on the enclosed proxy form to vote such proxy for the election of the persons listed in this information circular unless specifically instructed on the proxy form to withhold such vote (see "proxies" above). In case any of the listed nominees should become unavailable prior to the meeting, the persons designated on the proxy form will have the right to use their discretion in voting for a properly qualified substitute. The term of office of each person so elected will be until the next annual meeting of shareholders of the Corporation or until such person's successor is elected or appointed.

Item 3 – Appointment of auditors

A firm of auditors is to be appointed by vote of the shareholders at the meeting to serve as auditors for the Corporation until the next annual meeting. The directors recommend that Ernst & Young LLP, who were first appointed by the Corporation on April 22, 1999, and reappointed on April 25, 2000, be reappointed. Unless otherwise directed, the proxies received by management will be voted in favour of appointing the firm of Ernst & Young LLP as auditors of the Corporation and authorizing the directors to fix their remuneration.

Item 4 – Other business

The officers will report on recent events of significance to the Corporation and on other matters of interest to the shareholders. The directors and officers of the Corporation are not aware of any matters, other than those indicated above, which may be submitted to the meeting for action. However, if any other matters should properly be brought before the meeting, the enclosed proxy confers discretionary authority to vote on such other matters according to the best judgment of the person holding the proxy at the meeting.

Election of directors (see item 1 on proxy form)

It is proposed that the sixteen (16) persons listed on page 3 be nominated for election as directors at the meeting.

With the exception of the following individuals, all of the directors have been employed in the designated principal occupation for the preceding five years or have been engaged in different executive functions with their current corporation or with one of their affiliates:

Mr. Ayre is currently publisher of The Telegram, St. John's, prior to which he was group publisher and chief executive officer of Thomson Newfoundland, prior to which he was publisher and general manager of The Evening Telegram, prior to which he was chairman, president and chief executive officer of Ayre & Sons Limited.

Mr. Wetmore, prior to his appointment as president and chief executive officer of Aliant on April 22, 1999, was president and chief executive officer of NewTel Enterprises Limited and chief executive officer of NewTel Communications Inc., prior to which he was president of Smart Capital Resources Inc. from 1997, prior to which he was president of Air Atlantic (1994) Ltd. from 1995 to 1997.

The Corporation does not have an executive committee of its board of directors. The Corporation does, however, have an audit committee. The members of such committee are E. Reevey, J. W. Sheridan, R. P. Dexter, M. H. Ayre and L. J. Celeste. In addition, the Corporation has four other committees of its board. These committees are described in the corporate governance section.

Mr. Sheridan, Mr. Reynolds and Mr. Davis are nominees of BCE, which is the beneficial owner of 53% of the Corporation's issued and outstanding common shares.

Report on executive compensation

The human resources and compensation committee (the "committee") of the board of directors administers Aliant's executive compensation program. The committee was formed on September 20, 1999 to establish: (1) a plan of continuity for executives and other key employees of the Corporation and its subsidiaries; (2) a broad plan of executive compensation that is competitive and motivating in order to attract, hold and incent executive management and other key employees; and (3) a process for the annual review of the performance of each member of executive management to allow recommendations for compensation. The committee consists of the following five directors, none of whom are employed by the Corporation: I. E. H. Duvar, A. E. P. Hickman, J. C. Caty, J. W. Sheridan and L. J. Celeste. The committee met six (6) times in 2000.

Compensation for the executive officers is comprised primarily of three main components:

(1) annual base salary; (2) short-term incentive compensation; and (3) long-term incentive compensation. The use of short-term and long-term incentive compensation places a significant portion of the executive officers' total compensation at risk. The compensation for the executive officers is determined namely with reference to compensation for similar executive positions for comparable Canadian telecommunications and technologies corporations.

Annual base salary

In 2000, the committee, with the support of outside consultants, reviewed the compensation levels of relevant Canadian telecommunications and technologies corporations.

Salaries for the executive officers are determined by evaluating the responsibilities of each executive's position as well as the experience and knowledge of the individual. Annual base salaries for the executive officers are within the median range of the corporations studied by the committee. Adjustments are made annually to maintain salary levels that are consistent with the foregoing.

Short-term incentive compensation

The annual short-term incentive plan provides an opportunity for executive officers to receive competitive cash reward for the achievement of financial and non-financial targets for the year. In 2000, annual short-term incentive compensation was awarded based on (1) achieving corporate financial targets and strategic business objectives, and (2) individual performance measured against a detailed list of specific objectives.

The short-term incentive program has been designed to provide rewards for meeting goals and reaching performance above target levels. Performance targets for each executive officer will reflect the individual's area of responsibility and ability to influence the results of the overall Corporation.

Stock-based compensation

Aliant Inc. has a stock option plan ("ASOP") for selected officers and senior managers of Aliant and its subsidiaries, which seeks to align the employees' performance with the long-term growth in shareholder value. Share options are granted by the board of directors based upon overall corporate performance and performance of the individual. Under the ASOP, the board of the Corporation designates the key individuals to whom options for the purchase of common shares of Aliant are granted and the number of options to be granted to each individual in order to align the employees' performance with long-term growth in shareholder value.

The option price is, unless otherwise determined by the Corporation, the closing price of a trade of at least a board lot of the shares on the TSE on the trading day preceding the date of the grant. Each option granted is for a period of 10 years and may not be exercised during the first 12 months following the date of grant. Unless specified otherwise by the Corporation, the right to exercise options occurs in the following manner, with the time reference being calculated from the date of grant: (1) one third of the options on the first day following 12 months, (2) two thirds of the options on the first day following 24 months, and (3) three thirds of the options on the first day following 36 months.

If the number of outstanding shares of the Corporation is increased or decreased as a result of a stock split, consolidation or recapitalization, Aliant may make appropriate adjustments to the designated amount of any option which has previously been granted under the plan, the maximum number of shares which the participant may thereafter purchase under such option, the option price in respect of such option and the maximum number of shares which may be issued under the plan. The number of shares, which may be issued under options issued and outstanding pursuant to this plan is limited to 6,500,000. However, the number of shares to be issued pursuant to this plan combined with the options outstanding under any other employee-related plan of the Corporation or granted by the Corporation to any one person shall not exceed 5% of the issued and outstanding shares.

Report presented by the committee.

Share performance

The cumulative total return chart was prepared using the sum of the market capitalization of the Combined corporations (minority portion of Island Tel only) as at December 31 for the years indicated and dividing by the number of shares outstanding after using the share exchange ratios established for the Combination.

Cumulative total return

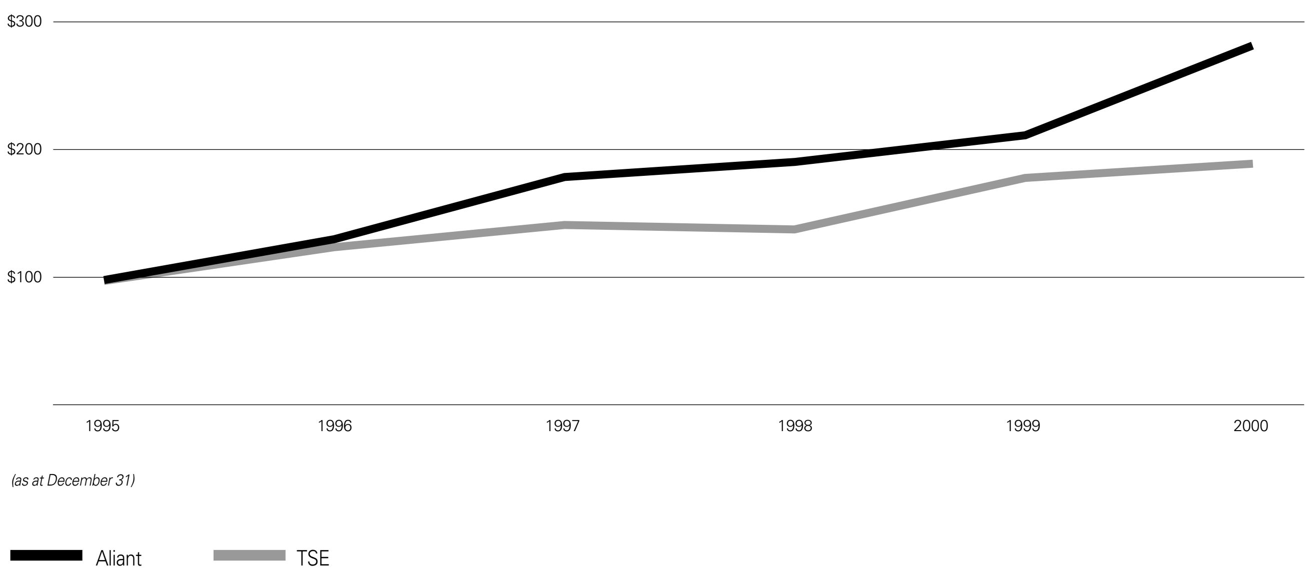
	1995	1996	1997	1998	1999	2000	Return*
Aliant	100	129	179	190	212	283	23.10%
TSE 300	100	126	142	138	179	190	13.64%

**Compounded annually*

Performance graph

The performance graph is based upon an initial investment of $100 invested on December 31, 1995. For comparison purposes, we have also shown the corresponding information in respect of the TSE 300 Index.

Cumulative total return



COMPENSATION OF OFFICERS

The summary compensation table below sets forth the total compensation paid by the Corporation or its subsidiaries to the named executive officers for 2000. The compensation shown for 1999 includes compensation received in 1999 prior to the combination of Bruncor Inc., Island Telecom Inc., Maritime Telegraph and Telephone Company Limited and NewTel Enterprises Limited (the "Combining Corporations").

Summary compensation table

		Annual compensation			Long-term compensation	
Name and principal position		Salary [1] ($)	Short-term incentive compensation [2] ($)	Other annual compensation [3] ($)	Common shares under options granted [4]	All other compensation ($)
S. G. Wetmore [5] President and chief executive officer	2000 1999	490,639 427,019	276,000 117,000	See note [5] 0	121,355 39,175	0 0
R. H. Benson [6] Executive vice president and chief financial officer	2000 1999	321,363 [8] 289,192	155,000 81,000	0 0	65,426 [9] 19,588	See note [6] 0
C. Latham Executive vice president and president Telecom	2000 1999	328,202 304,200	155,000 152,000	0 0	65,426 31,507	0 0
G. L. Pond Executive vice president and president IT and Emerging Business	2000 1999	329,314 307,900	155,000 135,000	0 0	65,426 18,198 [7]	0 0
D. J. Oake Vice president Corporate Development	2000 1999	212,390 200,000	80,000 81,000	0 0	21,105 19,588	0 0
R. E. Neal Senior vice president Emerging Business and president Innovatia	2000 1999	207,833 179,377	80,000 40,000	0 0	23,904 6,572 [7]	0 0

1) All of the named executive officers were appointed to the above noted offices with Aliant on April 22, 1999.

2) Short-term incentive compensation shown is in respect of the results for the preceding fiscal year. For 1999, the compensation shown is for the applicable Combining Corporation.

3) Other benefits not disclosed do not exceed the lesser of $50,000 or 10% of the total of the annual salary and short-term incentive compensation for any of the named executive officers for the reporting period.

4) Figures for 1999 have been adjusted based on the exchange ratios for the applicable Combining Corporations pursuant to the Combination: 1.567 for NewTel applicable to Mr. Wetmore, Mr. Benson and Mr. Oake; 1.011 for Bruncor applicable to Mr. Pond and Mr. Neal; and 1.667 for MTT applicable to Mr. Latham.

5) See "Employment contracts and change of control arrangements".

6) Mr. Benson retired from the Corporation on August 1, 2000. See "Employment contracts and change of control arrangements".

7) Options granted under the Bruncor stock option plan for key employees. The holder of options will receive, upon exercise, a special compensation payment to cover the income tax resulting from the taxable benefit created by the exercise.

8) Mr. Benson's salary includes the amount of salary of $132,000 paid to him by the Corporation's subsidiary, Stratos Global Corporation ("Stratos"), for the period August 1, 2000 to December 31, 2000 for his service as Executive vice-president and Chief Financial Officer, Stratos.

9) In addition to the options granted under the Aliant stock option plan, listed in the table, Mr. Benson received options for 150,000 shares of Stratos while employed with Stratos. These options have an exercise price of $17.95 and, if unexercised, will expire on March 9, 2001.

Indebtedness of directors and senior officers

As of the end of the financial year 2000, neither the Corporation nor its subsidiaries have provided a guarantee, support agreement, letter of credit, or other similar arrangement or understanding with respect to the indebtedness of a director, executive officer, senior officer, proposed nominee for election as a director, or any associate of any such director, officer or proposed nominee.

No director, executive officer or senior officer of the Corporation or proposed nominee for election as a director of the Corporation or its subsidiaries or any person associated or affiliated with such directors, officers or proposed nominees for election as a director is indebted to the Corporation or its subsidiaries.

Employment contracts and change of control arrangements

Mr. Benson retired from the Corporation on August 1, 2000. Upon his retirement, Mr. Benson received the sum of $527,932 as the payment of a retention bonus. He also received a change of control payment in the amount of $1,055,864, a retiring allowance of $527,932, a pro rata portion of his eligible short-term compensation for 2000 in the amount of $97,792 and pay in lieu of vacation in the amount of $72,215. Mr. Benson's annual pension equals $306,153.

Aliant entered into an agreement of employment with Mr. Wetmore on December 12, 2000. Pursuant to the agreement, effective April 1, 2000, Mr. Wetmore's annual gross base salary is in the amount of, $498,953 and is to be thereafter reviewed annually. Mr. Wetmore is entitled to participate in Aliant's short-term incentive plan and long-term incentive plan. In addition, Aliant has arranged and pays for a one million-dollar life insurance policy on Mr. Wetmore, which policy is transferable at the direction of Mr. Wetmore upon termination of his employment. If the policy is transferred, Aliant is not responsible for the premiums on the policy.

In recognition of Mr. Wetmore's contribution to the success of the Aliant merger and to incent future success, he was granted a total of 100,000 stock options, with a exercise price of $40.00 per share for the first 50,000 options and with an exercise price of $50.00 per share for the last 50,000 options. The first 50,000 stock options will vest at such time as the weighted average of the prices at which Aliant's common shares traded on all exchanges on which its shares are listed and posted for trading reaches $50.00 per share on five consecutive trading days per share and when it reaches $60.00 on five consecutive days for the last 50,000 stock options.

Mr. Wetmore received a supplementary bonus in the amount of $300,000.00 on November 1, 2000. A further $200,000.00 will be paid to him when the weighted average of the price at which the Corporation's shares are traded on all exchanges on which such shares are listed and posted for trading reaches $40.00 per share on five consecutive trading days.

Mr. Wetmore was previously granted 50,000 stock options by NewTel Enterprises Limited which the parties agreed to convert to 78,350 Aliant stock options at an exercise price of $21.966 per share. Mr. Wetmore was given the opportunity to sell all or a portion of these options to Aliant provided that he advised the Corporation before December 31, 2000 of his intent to do so. Such advice was received by the Corporation and the sale of the options to Aliant will occur in 2001.

Mr. Wetmore may also elect to terminate his employment within two years of a change of control, in which case Aliant shall pay an amount equal to three times the total of base salary, and perquisite allowance, plus three times 60% of the base salary at the date of termination. He also becomes eligible for a prorated portion of the long-term and short-term incentive plans.

The named executive officers also benefit from certain special compensation arrangements, which provide certain severance benefits if a change of control of the Corporation occurs. These benefits are payable to the named executive officers, if Aliant terminates their employment, other than for just cause, before June 1, 2001, and before June 1, 2002 in the case of Mr. Oake. These benefits also accrue to Mr. Oake if he elects to terminate his employment prior to June 1, 2001. Mr. Latham and Mr. Pond would receive a lump sum severance payment equal to the compensation that would have been earned for a 30-month period. Mr. Oake and Mr. Neal would receive a lump sum severance payment equal to the compensation that would have been earned for a 24-month period.

The named executive officers are also eligible to receive a retention bonus equivalent to one year's basic salary if they remain with the Corporation until June 1, 2001.

Long-term incentive plan

Option grants during the most recently completed financial year

Name	Securities under options granted	% of total options granted to employees in fiscal year	Exercise base price ($/security)	Market value of securities underlying options on the date of grant ($/security)	Expiration date of grant
S. G. Wetmore	121,355	14.8	33.30	33.30	February 10, 2010
R. H. Benson	65,426	8.0	33.30	33.30	February 10, 2010
C. Latham	65,426	8.0	33.30	33.30	February 10, 2010
G. L. Pond	65,426	8.0	33.30	33.30	February 10, 2010
D. J. Oake	21,105	2.6	33.30	33.30	February 10, 2010
R. E. Neal	21,105	2.6	33.30	33.30	February 10, 2010
R. E. Neal	2,799	0.3	35.60	35.60	June 5, 2010

Aggregated option exercises during the most recently completed financial year and financial year-end option values

Name	Securities acquired on exercise (#)	Aggregated value realized ($)	Unexercised options Exercisable/Unexercisable (#)	Value of unexercised in-the-money options at year-end Exercisable/Unexercisable ($)
S. G. Wetmore	0	0	19,587 / 219,293	226,857 / 1,124,872
R. H. Benson	44,076	758,661	65,426 / 0	3,271 / 0
C. Latham	0	0	181,594 / 113,646	3,455,061 / 604,722
G. L. Pond	0	0	64,855 / 92,775	1,229,637 / 361,820
D. J. Oake	0	0	22,003 / 32,937	268,608 / 130,382
R. E. Neal	0	0	9,479 / 32,827	136,998 / 114,321

Based on $33.35 per common share, the closing price on the Toronto Stock Exchange on December 31, 2000.

Retirement plans

The named executive officers participate in the non-contributory defined benefit pension plans of the corporations that were merged to form Aliant. The following table illustrates the estimated annual pension benefits payable to a named executive officer at retirement based on specified compensation levels and credited years of service:

Pension plan table *(in dollars)*

	Credited years of service			
Remuneration	10	20	30	40
200,000	38,120	76,240	114,360	150,000
300,000	58,120	116,240	174,360	225,000
400,000	78,120	156,240	234,360	300,000
500,000	98,120	196,240	294,360	375,000
600,000	118,120	236,240	354,360	450,000
700,000	138,120	276,240	414,360	525,000
800,000	158,120	316,240	474,360	600,000
900,000	178,120	356,240	534,360	675,000

Stephen Wetmore

Upon retirement, Mr. Wetmore will be entitled to an annual pension, payable monthly, equal to 4% of the final average earnings per year of service, commencing February 1998, with such pension payable no earlier than age 55. The maximum pension payable will be 60% at age 60. The maximum pension payable beyond age 60 will be 70%. The pension benefit will vest every three years with the pension to be fully vested by age 60. Pensionable earnings will be the total of the base salary and short-term incentive plan. Calculation of final average earnings will be based on the best 12 months earnings if triggered on or during 2001, the best 24 months if triggered in 2002 and the best 36 months if triggered after 2002. The pension plan provides that, on the executive's death, his surviving spouse will receive a pension equal to 2/3 of the pension to which he would be entitled.

David Oake

Mr. Oake participates in NewTel Communications' pension plan and the supplementary executive retirement plan. Collectively, the plans provide an annual pension per credited year of service of 1.5% times the best average 36 consecutive months of pensionable earnings (to a maximum of 70% of such earnings). Pensionable earnings include salary, bonuses and other benefits received by the named executive officer. At age 65, the pension benefit is reduced to reflect benefits payable from the Canada Pension Plan. As of December 31, 2000, Mr. Oake had 23.7 credited years of service.

The plans provide a survivor pension benefit equal to 66.67% of the named executive officer's pension benefit. At retirement, the supplemental plan provides for a lump-sum payment equal to one year's cash compensation.

Colin Latham

Mr. Latham participates in the Maritime Tel pension plan and the supplementary executive retirement plan. Collectively, the plans provide an annual pension per credited year of service of 2% times the best average 36 consecutive months of pensionable earnings (to a maximum of 75% of such earnings). Pensionable earnings include salary, bonuses and other benefits received by the named executive officer. At age 65, the pension benefit is reduced to reflect benefits payable from the Canada Pension Plan. As of December 31, 2000, Mr. Latham had 32.5 credited years of service.

The pension benefits described above include any benefits payable as a result of the executive's participation in the defined contribution portion of Maritime Tel's pension plan, to which the executive is required to contribute 2% of pensionable earnings.

The plans provide a survivor pension benefit equal to 66.67% of the named executive officer's pension benefit. At retirement, the executive will receive twelve months of paid retirement leave.

Gerald Pond and Robert Neal

Mr. Pond and Mr. Neal participate in the NBTel pension plan, as supplemented by a contractual agreement. The annual pension for each credited year of service as an officer is 2% times the best average 36 consecutive months of pensionable earnings. Pensionable earnings include salary and short-term incentive compensation. The annual pension for each credited year of service prior to becoming an officer is 1.4% times the best average 36 consecutive months of pensionable earnings. At age 65, the pension benefit is reduced to reflect benefits payable from the Canada Pension Plan. As of December 31, 2000, Mr. Pond had 34.7 credited years of service, including 11.9 years as an officer and Mr. Neal had 21.1 credited years of service, including 2.2 as an officer.

The plan provides a survivor pension benefit equal to 60% of the named executive officer's pension benefit. At retirement, Mr. Pond and Mr. Neal will receive twelve months of paid retirement leave.

Committed to high standards of corporate governance

The Toronto Stock Exchange ("TSE") passed by-laws requiring companies incorporated in Canada and listed on this exchange to disclose their corporate governance practices in their annual meeting documents. The TSE has issued 14 guidelines ("TSE guidelines") covering such issues as the constitution and independence of the board of directors, its functions, the effectiveness and contribution of the directors, the establishment and delegation of authorities to various committees, and other issues dealing with sound corporate governance.

Aliant's board of directors and management are committed to high standards of corporate governance and have considered the report of the TSE committee on corporate governance. The board of directors believes that it is in substantial compliance with the TSE guidelines outlined in the report. The following is a summary of the company's corporate governance practices.

Composition of the board

The board is currently comprised of 13 directors. At the annual meeting in April, 2001, shareholders will be asked to elect 16 directors. The TSE guidelines recommend that the majority of the directors be "unrelated". The guidelines identify an unrelated director as a person who is independent of management and free from any interest, business or other relationship, other than interests and relationships arising from share holdings, that could, or could reasonably be perceived to, materially interfere with the person's ability to act with a view to the best interests of the Corporation. The directors have considered this definition and the relationship of each director to the Corporation and have concluded that 10 of the current 13 directors are considered by definition to be unrelated. Mr. Wetmore was appointed president and chief executive officer of the company on April 22, 1999 and, as such, is a related director. Mr. Reynolds and Mr. Sheridan are BCE's appointees to the board. Mr. Celeste serves as the non-executive chairman of the board. By virtue of his position as chairman, he is an officer of the company. He is not, however, involved in the day-to-day management and is not, therefore, in a position of conflicting interest.

The TSE also defines a "significant shareholder" as a shareholder with the ability to exercise control over the majority of votes for the election of directors. The guidelines go on to state that the board should include a number of directors who do not have interests or relationships with either the company or a significant shareholder and who could fairly protect the investment in the company by shareholders other than the significant shareholder. BCE beneficially controls 53% of the outstanding common shares of the company, and exercises control over the majority of the votes that can be cast for the election of directors. However, the investments of minority shareholders are fairly represented through unrelated directors who represent a wide cross section of business sectors and reasonable geographical areas in relation to shareholders.

Mandate of the board

The board of directors supervises management of the business and affairs of the company. Among other items, it is specifically responsible for:

- the adoption and execution of a strategic planning process for the Corporation;
- the implementation of appropriate systems that identify and manage the principal risks to the business;
- the establishment of succession planning for senior management, including appointing, training and monitoring;
- the communications plan for the Corporation; and

• the integrity of the Corporation's internal accounting and management information systems.

In 2000, the board of directors held nine meetings. The frequency of the meetings as well as the nature of the business conducted is dependent on the state of the Corporation's affairs and the opportunities that are presented.

The board of directors has appointed a corporate governance committee, an audit committee, a human resources and compensation committee, an investment committee, a defined benefit pension committee and is in the process of appointing a defined contribution pension committee. The following are descriptions of these committees, their mandates and activities.

Corporate governance committee

The committee is responsible for annually developing and updating a long-term plan for the composition of the board taking into account the current strengths, skills and experience of each director and the strategic direction of the Corporation. It monitors the effectiveness of the board of directors, its size and composition, its committees and the performance of the directors. The committee is also responsible for identifying and recommending potential appointees to the board, reviewing, on an annual basis, the compensation and benefits paid to each director, and approving the appropriate induction and education program for new directors.

The corporate governance committee is composed of five outside directors, four of whom are unrelated. The committee held six meetings during 2000.

Audit committee

The audit committee reviews the Corporation's annual and interim financial statements and other documents required by various regulatory authorities and recommends these for approval by the board of directors. The committee also reviews the scope and nature of the Corporation's internal and external audit programs and the nature of internal controls in major accounting and financial reporting systems. The audit committee reviews the mandate and recommends the appointment of the external auditors.

The audit committee, which met six times in 2000, is composed of five outside directors, four of whom are unrelated.

Human resources and compensation committee

The human resources and compensation committee is responsible for conducting an annual review of the performance of the chief executive officer and in conjunction with him, the performance of the other senior officers. The committee also reviews and recommends to the board the annual remuneration, short-term and long-term incentive plan targets and succession plan for senior officers. This committee is also responsible for the periodic review of the organizational structure and management resources to ensure that they are appropriate to manage the business.

The committee is composed of five outside directors, four of whom are unrelated. This committee held six meetings during 2000.

Investment committee

The committee provides guidance and support to management during the development stages of investment proposals. It is also responsible for reviewing and analyzing potential investments and providing advice and direction to the board on the final terms and conditions of an investment. The committee also reviews existing investments to ensure that proper business plans and strategies are in place and effective.

The committee consists of five outside directors, four of whom are unrelated. This committee met five times in 2000.

Pension fund investment committees

Aliant has a defined benefit pension investment committee ("DB committee") and has recently established a defined contribution pension investment committee ("DC committee"). The DB committee establishes and monitors the policies and objectives of the defined benefit pension plans. It administers the investment of the funds in accordance with the trust agreements of the defined benefit pension plans of the Aliant group of companies. The DC committee will assist Aliant in carrying out its responsibilities regarding the defined contribution pension provisions of the Aliant group of companies. The DB committee evaluates, selects, and monitors the performance of the investment managers. The DC committee is also responsible for such functions and, in addition, is responsible to evaluate the investment options offered to employees and provide input to the company on establishing educational programs for plan participants.

The DB committee consists of two outside directors who are unrelated and two management representatives. This committee met two times in 2000. The DC committee consists of two outside directors who are unrelated, two management representatives and three employee representatives who are participants in the defined contribution pension provisions. The DC committee will hold its first meeting in March of 2001.

Other corporate governance matters

The corporate governance committee and the board of directors believe they will continue to function independently of management. As suggested by the TSE, the board of directors has appointed a chairman who is not the chief executive officer. The directors have access to senior management and meet when required without management or inside directors to discuss relevant issues. In addition, any individual director can engage an outside advisor at the expense of the company, with the concurrence of the corporate governance committee.

The directors consider the education and orientation of new directors fundamental to ensuring good corporate governance.

The company has established a shareholder relations service, administered by CIBC Mellon Trust, to receive and respond to shareholder or investor inquiries. The board of directors and senior management encourage inquiries from shareholders, which are dealt with promptly.

REMUNERATION OF DIRECTORS

The directors who are not employed by Aliant are compensated on the basis of an annual retainer and meeting fees. The annual retainer is $25,000 for each director, of which a minimum of $13,000 is deferred to the Aliant share unit plan for non-employee directors (the "plan"). The meeting fee for board and committee meetings is $1,000. Committee chairs receive an additional annual retainer of $2,000. The chairman of the board is compensated on the basis of an annual retainer of $100,000 with a minimum of $34,200 to be deferred to the plan and converted to share units.

The plan is intended to enhance the Corporation's ability to attract and retain high-quality individuals to serve as members of the board and to promote a greater alignment of interests between non-employee members of the board and the shareholders of the Corporation. Outside directors may elect to defer to the plan any portion of fees for serving as a director over and above the minimum deferred amounts of $13,000 and $34,200 for directors and the chairman, respectively. Fees thus deferred are converted to share units at the market price on the last day of each quarter. Dividends on the share units are credited to each director's account in the form of additional share units. Upon termination of board service, the directors receive the cash equivalent value of the number of share units then recorded in the director's account.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The directors and officers of Aliant and its subsidiaries, benefited from a group liability insurance in the amount of $280 million (U.S.) coverage purchased through the Bell Canada Enterprises ("BCE") group insurance program for the protection of all directors and officers of BCE and subsidiary companies against liability incurred by them in their capacity as directors and officers.

Sub-limits specified are $31 million (U.S.) for pollution liability defense claims and $280 million (U.S.) securities transaction claims. In 2000, the amount of premiums paid by the Aliant group for participatory coverage in respect of directors and officers, was $39,000 (U.S.). In any case in which the Corporation is not permitted by law to reimburse the insured, there is no deductible amount. Where the Corporation is permitted to reimburse the insured, the deductible is $1 million (U.S.) for the Corporation.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Except as disclosed in the accompanying 2000 Annual Report (which includes the 2000 audited consolidated financial statements of the Corporation) and in the Corporation's Annual Information Form dated February 9, 2001, the Corporation is not aware that any of the directors, officers, nominees for election as directors, other insiders of the Corporation or any persons associated or otherwise related to any of them has had an interest in any material transaction carried out since the beginning of the Corporation's last completed fiscal year and which has materially affected or is likely to materially affect the Corporation.

We, the undersigned, president and chief executive officer, and vice president, general counsel and corporate secretary of the Corporation, do certify that the contents of this information circular and the sending of it to each shareholder entitled to receive notice of the meeting, to each director, to the auditors of the Corporation and to the appropriate governmental agencies were approved by the board of directors of the Corporation.

Stephen G. Wetmore,
President and Chief Executive Officer

Barrie H. Black,
Vice president, General Counsel and Corporate Secretary

March 5, 2001

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Aliant