

Bell Aliant Regional Communications Income Fund

Notice of annual and special meeting of unitholders and information circular

Annual and special meeting: June 18, 2008

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*Roger Bleasdale, customer, and granddaughter Marissa
Chester Basin, Nova Scotia*

Notice of annual and special meeting of unitholders

YOU ARE INVITED TO OUR ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

When

Wednesday, June 18, 2008, at 10:00 a.m. (Atlantic)

Where

The Westin Nova Scotian Hotel
Commonwealth Ballroom
1181 Hollis Street
Halifax, Nova Scotia

What the meeting is about

The annual and special meeting of unitholders (the "Meeting") of Bell Aliant Regional Communications Income Fund (the "Fund") will cover five items of business:

1. Receiving the consolidated financial statements of the Fund for the period ended December 31, 2007, together with the report of the auditors thereon;
2. Electing the trustees of the Fund;
3. Approving the appointment of the directors of Bell Aliant Regional Communications Holdings Inc. that are to be appointed by the Fund for the ensuing year;
4. Appointing the Fund's auditors; and
5. Approving a resolution (the full text of which is set out in Schedule "A" to the accompanying information circular) authorizing the amendment of the Bell Aliant Deferred Unit Plan to provide for an increase of an additional 2,400,000 units of the Fund which are reserved for issuance under such plan (i.e. an increase from 1,200,000 to a total of 3,600,000 units).

These five items of business are outlined in greater detail in the information circular accompanying this notice. The Meeting may also consider other business that properly comes before the Meeting or any adjournment.

You have the right to vote

You are entitled to receive notice of and vote at the Meeting, or any adjournment, if you were a holder of Fund units or special voting units at the close of business on April 30, 2008.

If you are unable to attend the Meeting, you may convey your voting instructions by appointing a proxyholder. Proxyholders can be appointed by telephone, electronically using the Internet or by completing, signing and returning the enclosed form of proxy either by fax or in the postage-paid envelope provided.

Your vote is important

As a unitholder of the Fund, it is important that you read this material carefully and then vote your units, either by proxy or in person at the Meeting. This document tells you what you will be voting on and how to exercise your right to vote your units.

By order of the trustees of Bell Aliant Regional Communications Income Fund,

Frederick P. Crooks, QC

*Executive vice-president, corporate services, chief legal officer and secretary of Bell Aliant Regional Communications Inc., general partner of Bell Aliant Regional Communications, Limited Partnership, administrator of Bell Aliant Regional Communications Income Fund
April 30, 2008*

Note: If you are a new unitholder or a unitholder who did not elect to receive our 2007 annual report, you can view this report on our website at www.bell.aliant.ca. If you wish to receive a hard copy of our annual report next year, please complete the request form in this package, and your name will be added to our mailing list.

Information circular

In this document, *you*, *your* and *unitholder* refer to the unitholders of the Fund (including holders of special voting units of the Fund, as applicable). *We*, *us*, *our* and *Fund* refer to Bell Aliant Regional Communications Income Fund. **The information in this document is current to April 30, 2008, unless otherwise indicated.**

This information circular is for the Bell Aliant Regional Communications Income Fund (the “Fund”) annual and special meeting of unitholders to be held on Wednesday, June 18, 2008, at 10:00 a.m. (Atlantic) and any adjournment(s) or postponement(s) thereof (the “Meeting”). As a unitholder, you have the right to vote your units on electing the Fund trustees, approving the appointment by the Fund of five directors to the board of Bell Aliant Regional Communications Holdings Inc. (“Bell Aliant Holdings Inc.”), appointing the Fund’s auditors, amending the Bell Aliant Deferred Unit Plan, all as explained in greater detail below, and any other items that may properly come before the Meeting.

To help you make an informed decision, this information circular tells you about the Meeting, the nominated trustees and directors, the proposed auditors, our governance practices, and compensation of trustees, directors and officers.

Your proxy is solicited by the Fund’s management. All costs associated with this solicitation of proxies will be borne by the Fund.

If you have any questions about any of the information in this document, please contact the Fund’s Investor Relations department toll free in Canada and the United States at 1-877-248-3113 or by e-mail at investors@bell.aliant.ca.

Approval of this information circular

The trustees of the Fund approved the contents of this information circular and have authorized it to be sent to each unitholder who is eligible to receive notice of and vote units at the Meeting and to each trustee of the Fund and to the auditors.

About voting your units

VOTING BY PROXY

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

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

1. By telephone;
2. On the Internet;
3. By mail;
4. By fax; and
5. By appointing another person to go to the Meeting and vote your units for you.

The persons named in the accompanying proxy form are officers and/or directors of Bell Aliant Regional Communications Inc. (“Bell Aliant Inc.”) the general partner of Bell Aliant Regional Communications, Limited Partnership (“Bell Aliant LP”), the Fund’s administrator. **These persons will vote your units for you, unless you appoint someone else to be your proxyholder. You may appoint another person to go to the Meeting and vote your units for you. If you appoint someone else, he or she must be present at the Meeting to vote your units.**

If you are voting your units by proxy, our transfer agent, CIBC Mellon Trust Company (“CIBC Mellon”), **must receive your completed proxy form by 10:00 a.m. (Atlantic) on Monday, June 16, 2008**, or 48 hours (excluding Saturdays, Sundays and statutory holidays in Toronto, Ontario) before any adjournment(s) or postponement(s) of the Meeting.

Please follow the instructions below on how to vote based on whether you are a registered unitholder or a non-registered unitholder.

You are a registered unitholder if your name appears on your unit certificate. Your proxy form tells you whether you are a registered unitholder.

You are a non-registered (or beneficial) unitholder if your bank, trust company, securities broker or other financial institution (your “Nominee”) holds your units for you. For most of you, your proxy form tells you whether you are a non-registered (or beneficial) unitholder.

If you are not sure whether you are a registered unitholder, please contact CIBC Mellon:

CIBC Mellon Trust Company	Telephone	AnswerLine: 1-800-387-0825 <small>(toll free in Canada and the United States)</small>
P.O. Box 7010	Fax	1-866-781-3111 <small>(toll free in Canada and the United States)</small> OR
Adelaide Street Postal Station		1-416-368-2502 <small>(outside Canada and the United States)</small>
Toronto, Ontario M5C 2W9	E-mail	inquiries@cibcmellon.com

HOW TO VOTE – REGISTERED UNITHOLDERS

A. By proxy

1. By telephone

- Call 1-866-271-1207 (toll free in Canada and the United States) from a touch-tone phone.
- Using the telephone keypad, enter the 13-digit control number found on your proxy form.
- Follow the instructions.

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

2. On the Internet

- Go to www.eproxyvoting.com/bellaliant.
- Enter the 13-digit control number found on your proxy form.
- Follow the instructions.

3. By mail

- Complete, sign and date the proxy form.
- Detach and return in the envelope provided or otherwise to CIBC Mellon Trust Company, Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1.
- Please see *Completing the proxy form* for more information.

4. By fax

- Complete, sign and date the proxy form.
- Fax to 1-866-781-3111 (toll free in Canada and the United States) or 1-416-368-2502 (outside Canada and the United States).
- Please see *Completing the proxy form* for more information.

5. You may appoint another person to go to the Meeting and vote your units for you

- This person does not have to be a unitholder.
- To do this, strike out the three names that are printed on the proxy form and write the name of the person you are appointing in the space provided. Complete your voting instructions, date and sign the proxy form, and return it to CIBC Mellon Trust Company as instructed.
- Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting.
- Please see *Completing the proxy form* for more information.

B. In person at the meeting

- You do not need to complete or return your proxy form.
- Please bring the meeting registration portion of your proxy form to the Meeting. You will need it to register and enter the Meeting.
- Your vote will be taken and counted at the Meeting.

HOW TO VOTE – NON-REGISTERED UNITHOLDERS

A. By proxy

- Your Nominee is required to ask for your voting instructions before the Meeting. Please contact your Nominee if you did not receive a request for voting instructions or a proxy form in this package.
- In most cases, you will receive a voting instruction form that allows you to provide your voting instructions by telephone, on the Internet, by mail or by fax. The voting instruction form should be completed, signed and returned in accordance with the directions on the form.
- Less frequently, you may receive from your Nominee a proxy form that has already been signed by the Nominee. This proxy is restricted as to the number of units beneficially owned by you, but is otherwise uncompleted.
- If you receive a proxy form, you should complete the proxy form in accordance with the directions on the proxy form and return it to CIBC Mellon Trust Company, Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1 or by fax at 1-800-781-3111 (toll free in Canada and the United States) or 1-416-368-2502 (outside Canada and the United States). To be valid for use at the Meeting, proxies must be received before 10:00 a.m. (Atlantic) on Monday, June 16, 2008.

B. In person at the meeting

- We do not have access to the names or holdings of our non-registered unitholders. That means you can only vote your units in person at the Meeting if you have previously appointed yourself as the proxyholder for your units by printing your name in the space provided on the voting instruction form and submitting such instruction form as directed on the form. Your voting instructions must be returned according to the instructions on the form.
- You will be asked to register your attendance at the Meeting.
- Your vote will be taken and counted at the Meeting.

COMPLETING THE PROXY FORM

You can choose to vote “For” or “Withhold” your vote for the items listed on the proxy form other than the proposed amendment of the Bell Aliant Deferred Unit Plan. You can choose to vote “For” or “Against” the proposed amendment to the Bell Aliant Deferred Unit Plan. The units represented by proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called for and if you specify a choice with respect to any matter to be acted upon, the units will be voted accordingly.

When you sign the proxy form, you authorize one of Lawson Hunter, chair of the board of trustees of the Fund, Charles White, vice-chair and lead independent trustee of the Fund, or Stephen Wetmore, president and chief executive officer of Bell Aliant Inc., the general partner of Bell Aliant LP, the administrator of the Fund, to vote your units for you at the Meeting according to your instructions.

If you return your proxy form and do not tell us how you want to vote your units, your vote will be counted:

- **FOR electing the nominated trustees;**
- **FOR approving the appointment of the directors of Bell Aliant Holdings Inc. who are listed in this information circular;**
- **FOR appointing Deloitte & Touche LLP as auditors; and**
- **FOR approving the amendment of the Bell Aliant Deferred Unit Plan to provide for an increase of an additional 2,400,000 units of the Fund which are reserved for issuance under such plan (i.e. an increase from 1,200,000 to a total of 3,600,000 units).**

Your proxyholder will also have discretion to vote your units as he or she sees fit on any amendments or variations to the matters identified in the notice of the Meeting and any other matter that may properly come before the Meeting.

You have the right to appoint a person other than the persons designated in the proxy form to represent you and vote your units at the Meeting. If you are appointing someone else to vote your units for you at the Meeting, strike out the three names that are printed on the proxy form and write the name of the person you are appointing in the space provided. **If you do not specify how you want your units voted, your proxyholder will vote your units as described above and as he or she sees fit on any other matter that may properly come before the Meeting.**

If you are an individual unitholder, you or your authorized attorney must sign the proxy form. If you are a corporation or other legal entity, an authorized officer or attorney must sign the proxy form. A proxy form signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate unitholder) should indicate that person's capacity (following their signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Fund).

If you need help completing your proxy form, please contact Investor Relations at 1-877-248-3113 (*toll free in Canada and the United States*) or by e-mail at investors@bell.aliant.ca.

CHANGING YOUR VOTE

You can revoke a vote you made by proxy by:

- Voting again by telephone or on the Internet before 10:00 a.m. (Atlantic) on Monday, June 16, 2008;
- Completing a proxy form that is dated later than the proxy form you are changing, and mailing it or faxing it to CIBC Mellon Trust Company, Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, so that it is received before 10:00 a.m. (Atlantic) on Monday, June 16, 2008;
- Sending a notice in writing from you or your authorized attorney (or, if the unitholder is a corporation, by a duly authorized officer) revoking your proxy to the secretary of Bell Aliant Inc., the general partner of Bell Aliant LP, the administrator of the Fund, so that it is received before 10:00 a.m. (Atlantic) on Monday, June 16, 2008; or
- Giving a notice in writing from you or your authorized attorney (or, if the unitholder is a corporation, by a duly authorized officer) revoking your proxy to the chair of the Meeting, at the Meeting.

UNITS AND SPECIAL VOTING UNITS

The Fund is authorized to issue an unlimited number of units and an unlimited number of special voting units. The outstanding units and special voting units will vote together at the Meeting.

HOW THE VOTES ARE COUNTED

You have one vote for each unit you held on April 30, 2008. As at April 30, 2008, there were 126,952,794 Fund units outstanding, each carrying the right to one vote at meetings of unitholders of the Fund. In addition, as at April 30, 2008, there were 100,373,827 special voting units outstanding, each carrying the right to one vote at meetings of unitholders of the Fund. These special voting units are held by BCE Inc. (“BCE”) or its affiliates, as described below.

Only persons who were holders of Fund units and special voting units as of the close of business on April 30, 2008 (the “Record Date”), are entitled to receive notice of, attend and vote at the Meeting. The Fund will prepare or cause to be prepared a list of the holders of Fund units and special voting units as of the close of business on the Record Date. At the Meeting, each holder of Fund units and each holder of special voting units named in that list will be entitled to vote the units shown opposite the holder's name on the list.

To the knowledge of the Fund trustees, BCE is the only person or corporation beneficially owning, directly or indirectly, or exercising control or direction over voting securities carrying 10% or more of the voting rights attached to all voting units of the Fund. As of April 30, 2008, BCE owned, directly or indirectly 44.15% of the Fund on a fully diluted basis in the form of 100,373,827 exchangeable limited partnership units of Bell Aliant Regional Communications Holdings, Limited Partnership (“Bell Aliant Holdings LP”) and Bell Aliant LP, which carry special voting rights. Our trustees and the directors and named executive officers of Bell Aliant Holdings Inc. and Bell Aliant Inc., as a group, beneficially owned or controlled 165,384 units of the Fund as of April 30, 2008.

CIBC Mellon Trust Company counts and tabulates the votes. It does this independently of the Fund to make sure that the votes of individual unitholders are confidential. CIBC Mellon Trust Company refers proxy forms to management only when:

- It is clear that a unitholder wants to communicate with management;
- The validity of the form is in question; or
- The law requires it.

About the Fund

The Fund

The Fund (TSX: BA.UN) is an unincorporated, open-ended trust governed by the laws of the Province of Ontario. The Fund qualifies as a “mutual fund trust” for the purposes of the Income Tax Act (Canada). The Fund, through its operating entities, is one of North America’s largest regional communications providers. Through its operating entities it serves customers in six Canadian provinces with innovative information, communications and technology services including voice, data, Internet, video and value-added business solutions. Through its xwave offices, the Fund also provides IT professional services in Canada and the U.S. The Fund’s 10,000 employees are committed to deliver the highest quality of customer service, choice and convenience.

BCE and Bell Canada have certain governance rights as outlined in a securityholders’ agreement (the “Securityholders’ Agreement”) with, among others, the Fund, Bell Aliant Inc. and Bell Aliant Holdings LP. Under the terms of the Securityholders’ Agreement, so long as BCE and its affiliates hold, directly or indirectly, not less than 20% of the Fund units on a fully diluted basis, the Fund and its operating entities must obtain BCE’s consent prior to entering into various transactions such as, among other things, certain mergers, joint ventures, asset sales and other material transactions. In addition, BCE and its affiliates have certain rights with respect to the appointment of directors of Bell Aliant Holdings Inc. and Bell Aliant Inc. and the nomination of the Fund trustees. BCE and its affiliates are entitled to appoint up to a majority of the directors of each of Bell Aliant Holdings Inc. and Bell Aliant Inc. and direct Bell Aliant Holdings Inc. with respect to the nomination of up to a majority of the Fund trustees for so long as BCE, directly or indirectly, holds not less than 30% of the units of the Fund on a fully diluted basis and the significant commercial agreements between Bell Canada and the Fund’s principal operating entities are in place. If such commercial agreements are terminated by any of the parties thereto in accordance with their terms or if BCE and its affiliates, directly or indirectly, hold less than 30% of the Fund units on a fully diluted basis, then BCE will be entitled to appoint its proportionate share of the directors of each of Bell Aliant Holdings Inc. and Bell Aliant Inc. and direct the nomination of its proportionate share of the Fund trustees (rounded up to the next whole number) based on its fully diluted direct and indirect ownership of Fund units. In any event, BCE will be entitled to nominate two directors to the board of Bell Aliant Holdings Inc. for as long as such commercial agreements are in place, irrespective of its ownership interest in the Fund (on a fully diluted basis) or its subsidiaries. BCE has complete discretion with respect to the exercise of these rights. BCE and its affiliates currently own 44.15% of the Fund on a fully diluted basis in the form of 100,373,827 exchangeable limited partnership units of Bell Aliant Holdings LP and Bell Aliant LP, which carry special voting rights.

Administration agreement

The Fund, Bell Aliant Holdings Trust (the “Trust”), Bell Aliant Holdings Inc., Bell Aliant Holdings LP and Bell Aliant LP have entered into an administration agreement (the “Administration Agreement”). Under the terms of the Administration Agreement, Bell Aliant LP provides administrative and support services to the Fund, including, without limitation, those necessary to:

- Ensure compliance by the Fund with continuous disclosure obligations under applicable securities legislation;
- Provide investor relations services;
- Provide or cause to be provided to Voting Unitholders (as defined in the Administration Agreement) all information to which Voting Unitholders are entitled under the Fund Declaration of Trust and applicable laws, including relevant information with respect to financial reporting and income taxes;
- Prepare for and hold meetings of Voting Unitholders and distribute required materials, including notices of meetings and information circulars, in respect of all such meetings;
- Assist the Fund trustees in calculating and making distributions to unitholders;
- Attend to all administrative and other matters arising in connection with any redemption of units;
- Seek to ensure compliance with the Fund’s limitations on non-resident ownership;
- Attend to all administrative and other matters arising in connection with the conversion, exercise or exchange of the Class 1 exchangeable limited partnership units of Bell Aliant Holdings LP (“Holdings Class 1 LP Units”) or the Class B exchangeable limited partnership units of Bell Aliant LP (“Bell Aliant Exchangeable LP Units”) or other exchangeable securities including the issuance and delivery of Fund units, units of the Trust and/or the unsecured, subordinated notes issued by the Trust in connection with such matters; and
- Generally, with respect to the Fund, provide all other services as may be necessary or as may be requested by the Fund trustees.

Bell Aliant LP will also provide similar services under the Administration Agreement to the Trust and Bell Aliant Holdings Inc., in its capacity as general partner of Bell Aliant Holdings LP.

The Administration Agreement has an initial term of 10 years, and will be automatically extended for additional five year periods unless notice of termination is given by the Fund, the Trust, Bell Aliant Holdings Inc. or Bell Aliant LP not less than 180 days before expiry of the then-current term. The Administration Agreement may be terminated by a party in the event of the insolvency or receivership of another party, or in the case of default by another party in the performance of a material obligation to the terminating party under the Administration Agreement, with certain exceptions, which is not remedied within 30 days after written notice has been delivered.

The address of Bell Aliant LP is 1505 Barrington Street, Halifax, Nova Scotia, B3J 2W3. During the year ended December 31, 2007, the management services provided by Bell Aliant LP to the Fund under the Administration Agreement cost the Fund a total of \$5,547,592. For additional information, please refer to note 8 of the Fund's consolidated financial statements for the period ended December 31, 2007.

What the meeting will cover

Five items will be covered at the Meeting:

- (1) Receiving the consolidated financial statements of the Fund for the period ended December 31, 2007, together with the report of the auditors thereon;
- (2) Electing the trustees of the Fund;
- (3) Approving the appointment of the directors of Bell Aliant Holdings Inc. that are to be appointed by the Fund for the ensuing year;
- (4) Appointing the Fund's auditors for the ensuing year; and
- (5) Approving a resolution (the full text of which is set out in Schedule "A" to this information circular) authorizing the amendment of the Bell Aliant Deferred Unit Plan to provide for an increase of an additional 2,400,000 units of the Fund which are reserved for issuance under such plan (i.e. an increase from 1,200,000 to a total of 3,600,000 units).

The Meeting may also consider other business that properly comes before the Meeting or any adjournment. As of the date of this information circular, the directors and officers of Bell Aliant Holdings Inc. are not aware of any matters, other than those indicated in this information circular, which may be submitted to the Meeting for action. However, if any amendment, variation or other matters should properly be brought before the Meeting, the proxy, to the extent permitted by law and subject to the voting instructions, confers discretionary authority to vote on such amendment, variation or other matters according to the best judgment of the person holding the proxy at the Meeting.

1. Financial statements

The Fund's consolidated financial statements for the period ended December 31, 2007, and the auditors' report thereon will be submitted to the Meeting. The financial statements are included in our 2007 annual report, which you can access on Bell Aliant's website at www.bell.aliant.ca.

2. Nominees for election as trustees of the Fund

You will be electing a total of five trustees of the Fund. The Fund's Declaration of Trust states that the Fund will have a minimum of three trustees and a maximum of 20 trustees with the number of trustees within this range to be set from time to time by resolution of the trustees, subject to the Securityholders' Agreement. The trustees have resolved that there will be five trustees. Trustees will be appointed by ordinary resolution at each annual meeting of unitholders to hold office for a term expiring at the close of the next annual meeting of unitholders (or until their successors have been appointed or they otherwise cease to hold office). The Securityholders' Agreement provides that the board of directors of Bell Aliant Holdings Inc. shall nominate the individuals to be proposed for appointment as trustees of the Fund. The directors of Bell Aliant Holdings Inc. propose the five nominees named in this information circular.

3. Nominees for appointment by the Fund as directors of Bell Aliant Holdings Inc.

You will also be approving the appointment by the Fund of five directors to the board of Bell Aliant Holdings Inc. Under the Securityholders' Agreement, the board of directors of Bell Aliant Holdings Inc. will be comprised of between 11 and 15 members, with the number of directors within such range to be as determined by the board from time to time. The board has resolved that there will be 11 directors, a majority (six) of whom will be appointed by BCE and five of whom will be approved by the Fund unitholders to be appointed by the Fund (as shareholder of Bell Aliant Holdings Inc.). If appointed, they will hold office until the next annual meeting of unitholders (or their earlier resignation or removal pursuant to the *Canada Business Corporations Act* ("CBCA") and the corporation's by-laws).

All of the individuals nominated are currently trustees of the Fund and members of the board of Bell Aliant Holdings Inc., as applicable, and are, in the opinion of the Fund trustees and directors of Bell Aliant Holdings Inc., qualified to direct the activities of the Fund and Bell Aliant Holdings Inc., as the case may be, until the next annual meeting of unitholders. All nominees have indicated their willingness to stand for election and approval, as applicable.

Please see *About the nominated trustees and directors* for information on the people who intend to stand for election as trustees of the Fund (“Proposed trustee nominees”) or who the Fund proposes to appoint as directors of Bell Aliant Holdings Inc. (“Proposed director nominees”). Unless otherwise directed, the proxies received will be voted in favour of the election or approval of appointment, as applicable, of the people nominated in this information circular. In case any of the listed nominees should become unavailable prior to the Meeting, the proxyholder will have the right to use discretion in voting for a properly qualified substitute.

The Fund trustees and the Bell Aliant Holdings Inc. directors have adopted a policy with respect to the election of trustees and approval of appointment of directors. In keeping with this policy, we will ensure that the proxy forms used for the election of Fund trustees and approval of the appointment of Bell Aliant Holdings Inc. directors enable unitholders to vote in favour of, or to withhold their vote, separately for each Proposed trustee nominee and each Proposed director nominee. At any unitholders’ meeting at which trustees or directors are to be elected or approved, as applicable, in an uncontested election, if any trustee or director nominee receives a greater number of votes “withheld” from his or her election or approval, as applicable, than votes “for”, such nominee shall, no later than 10 days following the receipt of the audited and final scrutineer’s report relating to such meeting, submit to the trustees or the board as appropriate his or her resignation letter, which shall take effect only upon the acceptance of such resignation by the trustees or the board.

The board or trustees, as appropriate, upon recommendation of the Bell Aliant governance committee (the “Governance Committee”), shall, within 90 days following the public disclosure of the vote results, determine either to accept or not the trustee’s or the director’s offer to resign, and the trustees or the board shall promptly disclose, via press release, the determination, including, in cases where the trustees or the board have determined not to accept a resignation, the reasons therefor. It is generally expected that the Governance Committee will recommend that the trustees or the board accept such resignation except in extraordinary circumstances. If a resignation is accepted, the trustees or the board, as appropriate, may appoint a new trustee or director to fill any vacancy, or may reduce the size of the trustees or the board.

4. Appointment of auditors

A firm of auditors is to be appointed by a majority of the votes cast by unitholders. The Fund, on the advice of its audit committee, recommends that Deloitte & Touche LLP, first appointed as the Fund’s auditors in July 2006 and reappointed on May 16, 2007, be appointed to serve as auditors of the Fund for the ensuing year. If appointed, Deloitte & Touche LLP will serve until the end of the next annual meeting of unitholders or until their earlier registration or removal. Management does not contemplate any amendment to the recommendation to appoint Deloitte & Touche LLP, but if such amendment should occur at or prior to the Meeting, the units represented by proxies received in favour of management nominees will be voted in accordance with the discretion of such nominees.

5. Approving the amendment of the Bell Aliant Deferred Unit Plan

You will be asked to review and, if deemed advisable, pass a resolution approving the amendment of the Bell Aliant Deferred Unit Plan to provide for an increase of an additional 2,400,000 units of the Fund which are reserved for issuance under such plan (i.e. an increase from 1,200,000 to a total of 3,600,000 units). Please refer to the *Report on executive compensation* section for additional information on the Bell Aliant Deferred Unit Plan.

The Bell Aliant Deferred Unit Plan had an initial reserve of 1,200,000 (representing 0.95% of Fund units outstanding and 0.53% of the combined total of Fund units outstanding and special voting units outstanding, as at April 30, 2008). As of April 30, 2008, Bell Aliant had cancelled 8,777 deferred units from the reserve leaving 1,191,224 deferred units available for issuance under the Bell Aliant Deferred Unit Plan and 811,542 deferred units outstanding (representing 0.64% of Fund units outstanding and 0.36% of the combined total of Fund units outstanding and special voting units outstanding, as at April 30, 2008).

Attached to this information circular as Schedule “A” is the full text of the resolution to be considered by Fund unitholders.

The resolution approving amendment of the Bell Aliant Deferred Unit Plan requires the approval of a majority of the votes cast by unitholders who vote in respect of the resolution. The amendment has been conditionally approved by the Fund trustees and the directors of Bell Aliant Holdings Inc. and by the TSX, subject to unitholder approval. In the absence of a contrary instruction, the persons designated by management of Bell Aliant in the enclosed form of proxy intend to vote proxies received in favour of the resolution approving the amendment of the Bell Aliant Deferred Unit Plan. Management does not contemplate any amendment to the resolution, but if such an amendment should occur at or prior to the Meeting, the units represented by proxies received in favour of management nominees will be voted in accordance with the discretion of such nominees.

Other business

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

- Report on recent events that are significant to our business;
- Report on other items that are of interest to our unitholders; and
- Invite questions and comments from unitholders.

About the nominated trustees and directors

As described in the section titled *About the Fund*, BCE currently has the right to direct Bell Aliant Holdings Inc. with respect to the nomination of up to a majority of the Fund trustees. The balance of nominees for election as Fund trustees are selected by the board of Bell Aliant Holdings Inc. under the terms of the Securityholders' Agreement. BCE also has the right to appoint up to a majority of the directors of Bell Aliant Holdings Inc. The remaining directors of Bell Aliant Holdings Inc. are appointed by the Fund as shareholder, with the approval of unitholders, under the terms of the Securityholders' Agreement and the Fund's Declaration of Trust.

As a unitholder, you will be electing a total of five trustees of the Fund. Table 1 provides information on the people who intend to stand for election as trustees of the Fund – Lawson Hunter, Edward Reevey, Louis Tanguay, Charles White and Victor Young.



You will also be approving the appointment by the Fund of five directors to the board of Bell Aliant Holdings Inc. If such approval is given, these individuals will be appointed to the board of directors of Bell Aliant Holdings Inc. following the Meeting. Table 2 provides information on the people who the Fund proposes to appoint as directors of Bell Aliant Holdings Inc. – Robert Dexter, Edward Reevey, Louis Tanguay, Stephen Wetmore and Charles White.

If elected or approved, as applicable, these individuals will serve for a term expiring on the earlier of the next annual meeting of unitholders or until such trustee's or director's successor is elected or appointed or they otherwise cease to hold office.

BCE has indicated it will appoint the following six persons to the Bell Aliant Holdings Inc. board of directors – Kevin Crull, Lawson Hunter, Patrick Pichette, Michael Sabia, Karen Sheriff and Victor Young. Information on each of these persons is provided in Table 3.

TABLE 1 – NOMINEES FOR ELECTION AS FUND TRUSTEES

Information contained in the following table is as at April 30, 2008.

Nominee	Biographical information	Status and committee membership ^{1,2}	Units ^{3,4}
 <p>Lawson Hunter</p> <ul style="list-style-type: none"> Residence: Ottawa, Ontario, Canada Age: 63 Director since: 2004 Trustee since: 2006 	<p>Mr. Hunter is chair of the Fund trustees and executive vice-president and chief corporate officer of BCE Inc. and Bell Canada. Previously a partner with the law firm Stikeman Elliott LLP, Mr. Hunter has extensive experience with competition and regulatory law in both the public and private sectors. He holds a Bachelor's degree in Law from the University of New Brunswick and a Master's degree in Law from Harvard University.</p> <p>Mr. Hunter is a director of the Information Technology Association of Canada and The Canadian Stage Company. He has also served as a director of the following publicly traded companies within the past five years: CGI Group Inc. and Aliant Inc.</p>	<p><i>Not independent</i></p> <p>Management resources and compensation committee</p> <p>Governance committee</p> <p>Pension committee</p>	712
 <p>Edward Reevey, FCA</p> <ul style="list-style-type: none"> Residence: Rothesay, New Brunswick, Canada Age: 64 Director since: 1999 Trustee since: 2006 	<p>Mr. Reevey is chairman and chief executive officer of Eedda Capital Inc., a private holding company. He holds a Bachelor's degree in Commerce from Dalhousie University and a Chartered Accountancy designation. He has been a Chartered Accountant Fellow since 1998. Mr. Reevey worked previously with Clarkson Gordon & Co. (now Ernst & Young) in Montreal and H.R. Doane & Co. in Saint John. He was president of Autotec Inc. and was chairman and chief executive officer of Addee Developments Ltd. until 2006.</p> <p>Mr. Reevey is a director of Stratos Global Corporation (formerly a TSX-listed company) and also serves on their audit committee. He is also a director of The Greater Saint John Community Foundation and the Miramichi Salmon Association. In addition, he has served as a director of the following publicly traded company within the past five years: Aliant Inc. Mr. Reevey has over 20 years of experience in the telecommunications sector, having served as a director of The New Brunswick Telephone Company, Limited from 1982 to 1999 and Bruncor Inc. from 1985 to 1999.</p>	<p><i>Independent</i></p> <p>Audit committee (chair)</p> <p>Pension committee (chair)</p>	37,963




Nominee	Biographical information	Status and committee membership ^{1,2}	Units ^{3,4}
 <p data-bbox="120 401 252 422">Louis Tanguay ⁵</p> <ul data-bbox="120 428 309 579" style="list-style-type: none"> • Residence: Laval-sur-le-Lac, Quebec, Canada • Age: 71 • Director since: 2006 • Trustee since: 2006 	<p data-bbox="351 218 914 344">Mr. Tanguay is a corporate director. He was president and chief executive officer of Bell Canada International Inc. from July 2000 to November 2001 and vice-chairman of Bell Canada International Inc. from 2001 to May 2003. Mr. holds a Bachelor's degree in Commerce from Concordia University.</p> <p data-bbox="351 373 936 659">Mr. Tanguay serves as a director of the following publicly traded companies: Rona Inc. (retail), Saputo Inc. (food), SR Telecom Inc. (telecommunications) and Medisys Health Group Inc. (healthcare). He has also served as a director of the following publicly traded companies in the past five years: Bell Nordiq Group Inc. (telecommunications), Canbras Communications Corp. (communications) and Bell Canada International Inc. (communications). He serves on the audit committee of Saputo Inc. (chair), SR Telecom Inc., Medisys Health Group Inc. and has served on the audit committee of Canbras Communications Corp. He is also a director of Aéroports de Montréal. Mr. Tanguay has well over 15 years of experience in the telecommunications sector.</p>	<p data-bbox="964 218 1071 239">Independent</p> <p data-bbox="964 268 1102 289">Audit committee</p>	17,030
 <p data-bbox="120 877 278 898">Charles White, QC</p> <ul data-bbox="120 905 309 1056" style="list-style-type: none"> • Residence: St. John's, Newfoundland and Labrador, Canada • Age: 61 • Director since: 1999 • Trustee since: 2006 	<p data-bbox="351 695 914 877">Mr. White is vice-chair and lead independent director/trustee of the Fund trustees and the board of Bell Aliant Holdings Inc. and a lawyer with the law firm White, Ottenheimer & Baker. Mr. White holds a Bachelor's degree in Commerce from Memorial University of Newfoundland and a Bachelor's degree in Law from Dalhousie University and was appointed Queen's Counsel in 1984. His legal career in private practice spans over three decades.</p> <p data-bbox="351 907 936 1192">Mr. White is chairman of the Independent Review Committee of BMO Mutual Funds and a director of Royal & Sun Alliance Insurance Company of Canada. He is also chairman of the Law Society of Newfoundland's Scholarship Committee. In addition, he has served as a director of the following publicly traded companies within the past five years: Aliant Inc. and Stratos Global Corporation. Mr. White has over 20 years of experience in the telecommunications sector, having served as a director of NewTel Enterprises Limited from 1988 to 1999 (including his role as chair of the board from 1994 to 1999), prior to joining the Aliant board (including his role as chair of the board from 2001 to 2006), and later the Bell Aliant board.</p>	<p data-bbox="964 695 1071 716">Independent</p> <p data-bbox="964 745 1102 766">Audit committee</p> <p data-bbox="964 800 1213 821">Governance committee (chair)</p> <p data-bbox="964 854 1233 905">Management resources and compensation committee (chair)</p> <p data-bbox="964 934 1121 955">Pension committee</p>	11,573
 <p data-bbox="120 1409 278 1430">Victor Young, O.C.</p> <ul data-bbox="120 1436 309 1587" style="list-style-type: none"> • Residence: St. John's, Newfoundland and Labrador, Canada • Age: 62 • Director since: 2002 • Trustee since: 2006 	<p data-bbox="351 1226 914 1430">Mr. Young, corporate director, is past chairman and chief executive officer of Fishery Products International Ltd. He also served as Deputy Minister of the Treasury Board and special advisor to the Premier of Newfoundland and Labrador, and was chairman and chief executive officer of Newfoundland and Labrador Hydro. He holds a Bachelor's degree in Commerce from Memorial University of Newfoundland and a Master's degree in Business Administration from the University of Western Ontario. He is an Officer of the Order of Canada.</p> <p data-bbox="351 1459 936 1717">Mr. Young is a director of the following public companies: Imperial Oil Limited (listed on the TSX and the American Stock Exchange), Royal Bank of Canada (listed on the TSX and New York Stock Exchange (NYSE)), and BCE Inc. (listed on the TSX and the NYSE). He is also a director of McCain Foods Limited and RBC Dexia Investor Services Trust. In addition, he has served as a director of the following publicly traded company within the past five years: Aliant Inc. Mr. Young has over 12 years of experience in the telecommunications sector, having served as a director of BCE since 1995, Aliant since 2002 and later the Bell Aliant boards.</p>	<p data-bbox="964 1226 1071 1247">Independent ⁶</p> <p data-bbox="964 1276 1156 1297">Governance committee</p> <p data-bbox="964 1331 1195 1381">Management resources and compensation committee</p>	5,500

TABLE 2 – NOMINEES FOR APPOINTMENT BY THE FUND AS DIRECTORS OF BELL ALIANT HOLDINGS INC.

Information contained in the following table is as at April 30, 2008.







Nominee	Biographical information	Status and committee membership ^{1,2}	Units ^{3,4}
 Robert Dexter, QC <ul style="list-style-type: none"> Residence: Halifax, Nova Scotia, Canada Age: 56 Director since: 1999 	<p>Mr. Dexter holds both a Bachelor's degree in Commerce and a Bachelor's degree in Law from Dalhousie University and was appointed Queen's Counsel in 1995. He is chairman and chief executive officer of Maritime Travel Inc. and is also a partner of the law firm Stewart McKelvey.</p> <p>Mr. Dexter is also chairman of Empire Company Limited (TSX-listed company engaged in food distribution, real estate development and corporate investment activities) and a director or trustee of the following entities listed on the TSX: High Liner Foods Inc. and Wajax Income Fund. Mr. Dexter also serves as chair of the audit committee of High Liner Foods Inc. In addition, he has served as a director of the following publicly traded company within the past five years: Aliant Inc. Mr. Dexter has over 10 years of experience in the telecommunications sector, having served as a director of Maritime Tel & Tel Limited from 1997 to 1999 prior to joining the Aliant, and later the Bell Aliant boards.</p>	<p><i>Independent</i></p> <p>Governance committee</p> <p>Audit committee</p> <p>Management resources and compensation committee (chair)</p>	1,814
Edward Reevey, FCA	See Table 1 for detail.		
Louis Tanguay	See Table 1 for detail.		
 Stephen Wetmore <ul style="list-style-type: none"> Residence: Halifax, Nova Scotia and Mississauga, Ontario, Canada Age: 55 Director since: 1999 	<p>Mr. Wetmore is president and chief executive officer of Bell Aliant. He joined Bell Aliant in 2006 after serving as executive vice-president of BCE Inc. and group president corporate performance and national markets for Bell Canada. Before joining Bell in 2002, Mr. Wetmore held several executive positions, including president and CEO of Aliant Inc., president and CEO of NewTel Enterprises Limited, president of Air Atlantic, and managing director with Scotia Holdings PLC in London, England. He holds a Bachelor's degree in Commerce from Acadia University and a Chartered Accountancy designation.</p> <p>Mr. Wetmore is a director of Canadian Tire Corporation Limited (TSX-listed company). He has served as a director of the following publicly traded companies within the past five years: Aliant Inc. and Stratos Global Corporation.</p>	<p><i>Not independent</i></p> <p>Not a committee member</p>	31,689 ⁷
Charles White, QC	See Table 1 for detail.		

TABLE 3 – BCE APPOINTMENTS TO THE BOARD OF BELL ALIANT HOLDINGS INC.

Information contained in the following table is as at April 30, 2008.

Appointee	Biographical information	Status and committee membership ^{1,2}	Units ^{3,4}
 Kevin Crull <ul style="list-style-type: none"> Residence: Toronto, Ontario, Canada Age: 43 Director since: 2006 	<p>Mr. Crull is president – residential services of Bell Canada (since September 2005). Mr. Crull was president – consumer solutions of Bell Canada from March 2005 to September 2005. Prior to 2005, Mr. Crull was senior vice-president and general manager of AT&T Mobility. He was also senior vice-president of consumer and small business of AT&T Inc. from 2001 to 2004. He holds a Master's degree in Business Administration from the University of San Francisco as well as a Bachelor's degree in Marketing from Ohio State University.</p>	<p><i>Not independent</i></p> <p>Not a committee member</p>	220

Appointee	Biographical information	Status and committee membership ^{1,2}	Units ^{3,4}
Lawson Hunter	See Table 1 for detail.		
	<p>Mr. Pichette is president – operations of Bell Canada (since November 2004). He started at Bell Canada as the chief financial officer in September 2002. Prior to 2001, Mr. Pichette was principal partner with McKinsey & Company. He was also an executive with Teleglobe Inc. until May 2002. He holds a Bachelor's degree in Business Administration from the Université du Québec à Montréal and a Master's degree in Philosophy, Politics and Economics from Oxford University where he attended as a Rhodes Scholar.</p> <p>Mr. Pichette is a director of Alaska Communications Systems Inc., a NASDAQ-listed company. He is also a director of the Université du Québec à Montréal Foundation, The Trudeau Foundation, Engineers Without Borders and Montréal International.</p>	<p><i>Not independent</i></p> <p>Not a committee member</p>	750
<p>Patrick Pichette⁸</p> <ul style="list-style-type: none"> Residence: St-Lazare, Quebec, Canada Age: 45 Director since: 2006 			
	<p>Mr. Sabia is chair of the board of Bell Aliant and president and chief executive officer of BCE and chief executive officer of Bell Canada. He had joined the BCE group in October 1999 as vice-chairman and chief executive officer of Bell Canada International. He holds a Bachelor's degree in Arts (Economics and Politics) from the University of Toronto and a Master's degree in both Arts and Philosophy from Yale University.</p> <p>Mr. Sabia is a director of The Thomson Corporation, a TSX and NYSE-listed company providing information solutions to businesses globally. He is also a director of Clearwire Corporation, a NASDAQ-listed company operating next-generation wireless broadband networks that enable fast and portable Internet communications in select markets across the United States and Europe. He is a director of BCE, Bell Canada and several BCE-related entities. In the past five years, Mr. Sabia has also served as a director of Emergis Inc. (formerly BCE Emergis Inc.) and CGI Group Inc.</p>	<p><i>Not independent</i></p> <p>Not a committee member</p>	6,829
<p>Michael Sabia⁸</p> <ul style="list-style-type: none"> Residence: Westmount, Quebec, Canada Age: 54 Director since: 2006 			
	<p>Ms. Sheriff is president, small and medium business, Bell Canada. She has previously held the positions of chief marketing officer and senior vice-president of product management & development with Bell Canada. Prior to this she was responsible for corporate marketing and branding at Ameritech Inc. and held a variety of assignments with Ameritech and United Airlines. She holds a Bachelor's degree in Psychology, Economics and Mathematics from Washington University and a Master's degree in Business Administration from the University of Chicago.</p> <p>Ms. Sheriff is a director of Teknion, a TSX-listed company specializing in office systems. She is also a director of the Gardiner Museum of Ceramic Art.</p>	<p><i>Not independent</i></p> <p>Governance committee</p> <p>Management resources and compensation committee</p>	540
<p>Karen Sheriff</p> <ul style="list-style-type: none"> Residence: Toronto, Ontario, Canada Age: 50 Director since: 2004 			
Victor Young, O.C.	See Table 1 for detail.		

Notes:

- (1) Bell Aliant Holdings Inc. has an audit committee. Its members are Edward Reevey (chair), Robert Dexter, Louis Tanguay, and Charles White. Victor Young was a member of the audit committee until March 1, 2007. Pursuant to the Securityholders' Agreement, the audit committee of Bell Aliant Holdings Inc. also serves as audit committee to the Fund. In addition, the board of Bell Aliant Holdings Inc. has three other standing committees and the Fund trustees have two other standing committees. The committees are described in the section titled Statement of governance practices. Bell Aliant Holdings Inc. does not have an executive committee of its board of directors.
- (2) A summary of each nominee's attendance at trustee and board and committee meetings is set out under the Statement of governance practices section of this information circular. An explanation of each nominee's status is set out in the same section.
- (3) Fund units beneficially owned or over which control or direction was exercised as of April 30, 2008.
- (4) Bell Aliant Holdings Inc. directors are required to own Fund units under the unit ownership guidelines. Please refer to Minimum ownership requirements in the section titled Compensation of trustees and directors for further information. Bell Aliant Holdings Inc. directors who are employed by the Fund, its subsidiaries, BCE or Bell Canada do not receive compensation for their participation on the board of directors. Those directors are therefore not required to own Fund units.
- (5) Mr. Tanguay is a director of SR Telecom Inc. ("SR Telecom"). SR Telecom was subject to a management cease trade order exceeding 30 days from April 2, 2007, through July 19, 2007. On November 19, 2007, SR Telecom filed for protection from its creditors under the Companies' Creditors Arrangement Act.
- (6) Victor Young is a member of the Bell Aliant Holdings Inc. board and also sits on the board of directors of BCE, an affiliated entity. He is considered an independent director and was a member of the audit committee until March 1, 2007.
- (7) Stephen Wetmore, being an employee of Bell Aliant LP, participates in the executive Deferred Unit Plan ("DUP"). For further details on the DUP, ownership guidelines applicable to Stephen Wetmore and his DUP holdings, please refer to the section titled Report on executive compensation.
- (8) Messrs. Pichette and Sabia were directors or executive officers of Teleglobe Inc. or certain of its affiliates on, or during the year preceding May 15, 2002, the date when Teleglobe Inc. and certain of its affiliates filed for court protection under insolvency statutes in various countries, including Canada and the United States.

Report on executive compensation

In this section, references to “Bell Aliant” are to Bell Aliant Regional Communications, Limited Partnership, which is the principal employer of Bell Aliant’s named executive officers and senior leaders.

This *Report on executive compensation* reports on Bell Aliant’s executive compensation practices in 2007, including an overview of the purpose and mandate of the management resources and compensation committee (referred to in this section as the “committee”) of the board of directors and trustees, the *Executive compensation discussion and analysis* which includes an explanation of our executive compensation programs and policies, the *Summary compensation table*, as well as the retirement and termination provisions for our chief executive officer and other named executive officers. The Report is supplemented with individual tables showing total compensation for the past three years for each of our named executive officers.

This report provides all required disclosure regarding executive compensation to unitholders as outlined by the Canadian securities administrators, National Instrument 51-102F2, the rules and regulations outlined by the TSX as well as other relevant Canadian disclosure rules. Reports by leading governance organizations are also taken into consideration when preparing executive compensation disclosure.

Purpose, mandate and composition of the committee

The purpose of the committee is to assist the board and trustees in fulfilling their oversight responsibilities relating to the compensation, nomination, evaluation and succession of senior leaders.

The role of the committee with respect to compensation is to:

- Oversee and recommend for approval by the board and trustees Bell Aliant’s executive compensation policy including all forms of compensation for the chief executive officer and each member of the executive team;
- Oversee the general compensation, policies and plans for Bell Aliant;
- Review and approve benefits and perquisites to be granted under all employee benefit plans including levels and types of benefits; and
- Review and approve all proposed enhancements to or detractions from the benefits accruing to employees under the pension plans.

The committee has a written mandate that establishes its purpose, responsibilities, and membership. A copy of the mandate is included in the *Board, trustee and committee mandates* section of this circular. In addition to this written mandate, the committee has established an annual work plan in the form of a forward agenda, a copy of which can be found in Bell Aliant’s governance manual, which is available in the Governance section of Bell Aliant’s website at www.bell.aliant.ca.

The committee was formed on July 7, 2006, and consists of five directors, none of whom is employed by Bell Aliant, and three of whom are independent as that term is defined in National Instrument 52-110 *Audit Committees*. Charles White (chair), Robert Dexter and Victor Young are independent. Lawson Hunter is executive vice-president and chief corporate officer of BCE and Bell Canada and Karen Sheriff is president, small and medium business of Bell Canada. None of the members of the committee is an officer, employee or former officer of Bell Aliant or any of its affiliates or is eligible to participate in Bell Aliant’s executive compensation programs. Members of the committee bring experience as current and former chief executive officers of large organizations, as officers in large complex corporations, and as directors with various other publicly traded entities. The board and trustees believe the committee collectively has the knowledge, experience and background required to fulfill its mandate.

Independence of the committee

The committee ensures its independence by holding “in camera” sessions from time to time at the end of committee meetings. These sessions are held by the committee without management present, and a record is kept of any decisions made during these “in camera” sessions. The committee met six times last year and held two in camera sessions.

In addition, the committee from time to time engages external consultants to provide advice on executive compensation matters. External consultants are also engaged as needed by the board’s pension committee on asset management matters. In 2007, Bell Aliant and the Fund employed the services of the Towers Perrin consulting firm and paid fees to Towers Perrin in the amounts shown in the following table:

Towers Perrin	\$
Executive compensation services	134,920
Pension asset management services	150,000
Total	284,920

EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

Bell Aliant's compensation philosophy and direction

Executive compensation is influenced by factors such as business strategy, business life cycle, organization performance, external environment and governance. The Bell Aliant executive compensation philosophy, approved by the committee in July 2006, is designed to achieve four key objectives:

- Align total compensation with the interests of unitholders;
- Attract and retain high performing executives;
- Create a performance culture and reward superior performance; and
- Link compensation with business strategy/objectives.

These objectives have guided the development of a Bell Aliant compensation model which includes base salary and short-term incentives and long-term incentives. Features of the compensation model are as follows:

- Target base salary at the 50th percentile of the comparator group;
- Target total compensation at the 60th percentile of the comparator group, if Bell Aliant performance warrants;
- Support a rigorous performance culture through the use of short-term and long-term incentive plans which place a significant portion of the executive's total compensation at risk; and
- Align the interests of the executive and unitholders through the establishment of ownership guidelines and the opportunity to earn Fund units through long-term incentive plans.

Bell Aliant conducted a thorough review of its compensation model in 2006 against a comparator group consisting of Canadian companies of similar size and revenue generating capacity. No review was considered necessary in 2007 in the wake of the comprehensive assessment completed in 2006.

Bell Aliant executive compensation model

Bell Aliant's executive compensation model is composed of base salary, short-term incentive compensation, long-term incentive compensation, perquisites and benefits, each as outlined in greater detail in the table below and the narrative descriptions that follow.

Eligibility	Base salary	Short-term incentive	Long-term incentive	Perquisites & benefits
	All executives	All executives	All executives	All executives
Overview	Determined by responsibilities, experience and knowledge. Adjusted by performance, capabilities, responsibilities and market data.	Drives performance and rewards achievement of annual targets that support Bell Aliant's strategic direction.	Drives performance and aligns interests of executives and unitholders through the use of equity compensation.	Provides executive with benefits in addition to salary and other incentives. Perquisite amounts vary by executive level.
Form of payout	Cash	Cash	Fund units	Varies

Annual base salary

Salaries are determined by the committee based on the responsibilities of each executive as well as the executive's experience, knowledge, performance and market data. Salaries are reviewed annually.

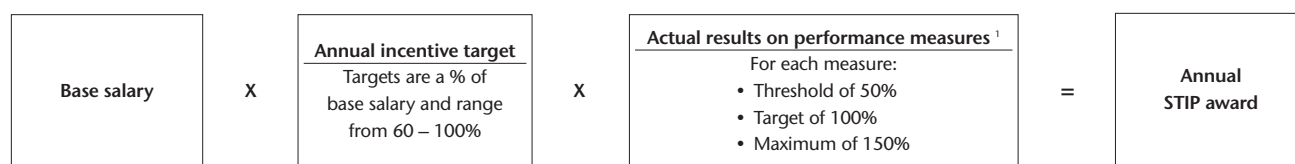
Short-term incentive compensation

The short-term incentive plan for named executive officers ("STIP") was created to reward the achievement of specific annual targets. Our 2007 STIP program was designed to focus executives on improving the customer experience and delivering strong financial performance. It consisted of four STIP measures:

- Distributable cash;
- Revenue growth;
- Customer service experience index; and
- Employee value index.

The STIP employs a threshold, target and outperform level for each measure which equates, respectively, to 50%, 100% and 150% payout. In addition, the plan includes a financial floor, which is a minimum level of distributable cash below which no payout under the STIP will be made, and an EBITDA condition, which is an amount of EBITDA that must be achieved in order for the plan to payout beyond 100%.

STIP targets for each executive are a percentage of base salary ranging from 60% to 100%. Payouts are calculated based on salary, individual incentive target percentages and results achieved for each performance measure as illustrated below. The committee approves any changes to the short-term incentive measures or targets as well as the yearly payout amounts.



Note:

(1) Payouts are contingent on meeting the financial floor of distributable cash and payouts in excess of 100% are contingent on Bell Aliant meeting the EBITDA condition.

Results of 2007 STIP for executives

STIP results for 2007 met target for distributable cash, did not meet target for employee value index, and exceeded target for customer experience index and revenue growth. The financial floor for distributable cash was met, however, the EBITDA condition which must be met before the program pays out greater than 100% was not met. As a result, participating executives were limited to a 100% payout in 2007. An explanation of these results by measure is outlined below:

- Distributable cash – Growth in revenues coupled with productivity achievements and management of our operating and capital expenditures contributed to the achievement of our distributable cash target.
- Revenue growth – Gross revenues exceeded budget by \$29.2 million due to growth in both product and service revenues, resulting in an increase of 2.2% year over year.
- Customer experience index – The customer experience index exceeded 2007 target due to continued attention to capacity issues, commitment to meeting customer appointments, cross-training of technicians, single visit resolution of customer issues, and increased preventative maintenance.
- Employee value index – The employee value index in 2007 increased for non-management employees but decreased slightly for managers, resulting in an overall result slightly below target.

The table below summarizes the 2007 STIP results for Bell Aliant:

Measure	Weight	Actual results
Distributable cash	25.0%	25.0%
Revenue growth	25.0%	28.0%
Customer service experience index	25.0%	31.0%
Employee value index	25.0%	23.0%
Total before EBITDA condition	100.0%	107.0%
Total payout limited to 100% because EBITDA condition not met		100.0%

Long-term incentive compensation

The long-term incentive compensation plan is designed to align executive performance with long-term growth in unitholder value and to support the objectives of employee ownership, achieving short-term and long-term results, and instilling a strong spirit of performance and entrepreneurship. The individual targets for Bell Aliant's named executive officers in 2007 ranged from 75% to 200% of annual base salary.

Deferred Unit Plan ("DUP")

The DUP defines "participant" to mean a permanent employee of a Fund subsidiary who has been designated by the Fund for participation in the plan. All Bell Aliant senior leaders are eligible to participate in the DUP. The board and trustees designate the individuals to be granted deferred units, the date of the grant, the number of deferred units to be granted, vesting conditions, performance criteria, and the terms of the DUP.

Each deferred unit represents the right to receive one Fund unit provided certain performance and/or time-vesting criteria are met. Upon vesting, deferred units are held for the participant until the participant departs from Bell Aliant. The deferred units attract notional distributions which are credited in the form of additional deferred units held in the account. The number of deferred units granted is based on the targeted long-term incentive compensation amount divided by a five day weighted average closing price of the Fund's units on the TSX prior to the grant. The final balance and value of the units will be determined based upon vesting criteria at the end of the performance period, the accumulation of distributions and the fair market value at time of redemption. The payout date must be a date no later than two years following a participant's departure from Bell Aliant. Deferred units granted under the DUP terminate and are of no force and effect after two years following a participant's departure, if not redeemed or previously terminated.

When a participant ceases to be an employee of Bell Aliant, any deferred units which are not vested terminate and are forfeited, unless otherwise determined by the Fund. In the event of retirement, termination without cause, death or termination by reason of disability, unvested units vest on a basis prorated from the beginning of the performance period to the end of employment date, subject to actual performance as determined at the end of the performance period. In the event of resignation or termination with cause, unvested units terminate and are forfeited, unless otherwise determined by the Fund. The interest of any participant is not transferable or assignable other than by operation of law.

Any amendment to the DUP that increases the maximum number of units issuable, extends the last date on which units may be issued, or adds additional categories of participants, requires the prior approval of Fund unitholders. The trustees may make any other amendments to the plan, including amendments of a housekeeping nature or amendments related to participants' entitlements in the event of termination of employment. There were no amendments to the DUP in 2007.

The maximum number of deferred units issuable to insiders (as defined by the TSX relating to security based compensation arrangements) under the DUP, together with any Fund units issuable under any other security based compensation arrangement, shall not exceed 10% of the total number of outstanding Fund units on a fully diluted basis. The maximum number of deferred units issued to insiders, together with any Fund units issued under any other security based compensation arrangement, within any one year period, shall not exceed 10% of the total number of outstanding Fund units on a fully diluted basis.

The DUP text allows that a participant may elect to receive performance units in lieu of deferred units with consent of the Fund. No such consent was sought or given in 2007 and as a result, no performance units were issued in lieu of deferred units under the plan.

2006 DUP award

Deferred units granted under the 2006 plan vest equally over three years subject only to time-vesting criteria. At the end of 2007, two-thirds of deferred units granted in 2006 have vested at 100%.

2007 DUP award

Deferred units granted under the 2007 plan vest equally over three years subject to both performance and time-vesting criteria. The performance measures are three year cumulative targets, with annual targets set for each measure. If an annual target is missed, the deferred units may still vest if the cumulative targets are met in subsequent years of the performance period. One third of the 2007 deferred unit grant made to eligible participants has time vested. However, only 87.57% of this one-third has actually vested since performance vesting criteria were not fully satisfied (i.e. $1/3 \times 87.57\%$).

The table below outlines the grants and associated vesting criteria and performance measures for deferred units granted under the DUP in 2006 and 2007.

Year of grant	Vesting & performance period	Vesting criteria	Performance measures	Percentage vested as of	
				December 31, 2007	Expiry date
2006	3 years	One third vests each year	Not applicable Time-based vesting only	Two thirds of grant at 100%	Two years after last day of active employment
2007	3 years	One third vests each year, subject to performance criteria	Two measures: <ul style="list-style-type: none"> • 3-year cumulative distributed cash per unit growth (70% weighting); and • Total unitholder return ("TUR") on investment (30% weighting) <p>Each performance measure has a threshold level that attracts 50% payout and a target level maximum that attracts 100% payout based on the three year cumulative targets</p>	One third of grant time vested, adjusted based on performance of 87.57% (i.e. $1/3 \times 87.57\%$)	Two years after last day of active employment

The number of Fund units authorized for issuance under the DUP is 1,200,000 or approximately 0.5% of the number of outstanding Fund units (on a fully diluted basis assuming the exchange of all Holdings Class 1 LP Units and Bell Aliant Exchangeable LP Units held by BCE and its affiliates).

Performance share unit plan ("PSUP")

PSUP share units granted in 2005 were eligible to vest on November 30, 2007, subject to performance conditions as outlined below. The performance conditions were not met and as a result, the performance share units did not vest and were cancelled.

The PSUP was an element of executive compensation established by the Aliant human resources and compensation committee which was continued by the board and trustees of Bell Aliant following the creation of Bell Aliant, with Fund units substituted for Aliant common shares. Under the PSUP, executives and selected senior leaders were granted Aliant share units. Each Aliant share unit represented the right to receive, for each vested share unit, one Aliant common share acquired in the secondary market or cash payment equal to the fair market value, subject to adjustment depending on the achievement of performance criteria. The performance criteria consisted of the Fund's total unitholder return (unit price appreciation plus reinvestment of distributions) compared to the total unitholder return for a comparative group of companies.

No grants have been awarded under this plan since 2005, and no additional grants will be awarded under this plan.

Perquisites

Executives receive a perquisite allowance for uses approved by Bell Aliant such as a car allowance, financial counselling services, and income tax preparation.

Benefits

Executives and other eligible employees of Bell Aliant participate in a flexible benefits program. In addition, executives may be eligible to receive other benefits such as discounts on telecommunication services.

Compensation at risk in 2007

Bell Aliant rewards its executives for the achievement of results by linking organization and personal performance to compensation. This is done by using both short-term and long-term incentive compensation plans that place a significant portion of compensation at risk. These programs enhance our focus on the creation of sustained unitholder value.

Overview of compensation mix for executives in 2007

The table below outlines the mix of base salary and compensation at risk for each named executive officer:

Executive ¹	Base salary	Short-term incentive compensation	Long-term incentive compensation
Stephen Wetmore, president and chief executive officer	25%	25%	50%
Glen LeBlanc, chief financial officer	34%	24%	42%
Frank Fagan, chief operating officer	31%	23%	46%
Mahes Wickramasinghe, executive vice-president	34%	24%	42%
Roch Dubé, president Bell Aliant Quebec and Ontario	39%	23%	38%

Note:

(1) Other executives' total compensation mix ranges from 38% to 43% base salary; 22% to 23% short-term incentive compensation and 35% to 38% long-term incentive compensation.

Summary of outcomes for compensation at risk in 2007

The table below provides an overview of results for our compensation at risk programs and payout amounts to named executive officers in 2007.

Compensation at risk	Performance criteria	Overview of 2007 performance	Performance vesting result	Payout to executives
Short-term incentive plan	Combination of financial and non-financial measures	EBITDA condition not met, therefore result of 107% based on performance measures was limited to 100% payout	100%	100%
Performance share unit plan ¹	Relative total unitholder return	TUR targets were not achieved, therefore no payout	0%	0%
Long-term incentive plan 2007	Distributed cash and total unitholder return	Distributed cash target met, TUR result below target, therefore vesting below 100%	87.57%	Deferred until end of employment

Note:

(1) The PSUP has terminated upon the completion of the final vesting for the 2005 grant. No further awards will be made under this plan.

Ownership guidelines

Bell Aliant established unit ownership guidelines for executives in 2006. Executives are required to meet the guidelines within a period of five years from the date of appointment to the executive position. The ownership guidelines and number of units owned, respectively, as of December 31, 2007, for the named executive officers are as follows:

Executive ownership ¹ guidelines	Unit ownership guideline	Unit ownership as of December 31, 2007 ²	Target date to achieve unit ownership
Stephen Wetmore, president and chief executive officer	4 x base salary \$3,600,000	143,518 units \$4,223,735	December 31, 2011
Glen LeBlanc, chief financial officer	3 x base salary \$1,200,000	34,603 units \$1,018,366	December 31, 2011
Frank Fagan, chief operating officer	3 x base salary \$1,500,000	83,030 units \$2,443,573	December 31, 2011
Mahes Wickramasinghe, executive vice-president	3 x base salary \$1,200,000	38,026 units \$1,119,105	December 31, 2011
Roch Dubé, president Bell Aliant Quebec and Ontario	3 x base salary \$1,275,000	17,390 units \$511,787	December 31, 2012

Notes:

(1) Ownership is defined as ownership of Fund units (including units held in the employee unit ownership plan, unitholder reinvestment plan and within an RRSP) and/or deferred units held in the DUP.

(2) Total value of unit ownership is calculated based on a unit price of \$29.43, the closing price of Fund units on the TSX on December 31, 2007.

President and chief executive officer



Stephen Wetmore

Halifax, Nova Scotia, and Mississauga, Ontario

Age: 55

Deferred Unit Plan units: 111,829

Fund units: 31,689

Compensation components for the chief executive officer include base salary, short-term incentive compensation, long-term incentive compensation, pension, participation in the employee unit ownership plan, benefits and perquisites.

Towers Perrin was retained by the committee in 2006 to conduct a market review and analysis of compensation for the chief executive officer and other executives of Bell Aliant. Based on the review, the board approved the chief executive officer's annual base salary at \$900,000, short-term incentive plan target at 100% of annual base salary and long-term incentive plan target at 200% of annual base salary.

Seventy-five per cent (75%) of Mr. Wetmore's target compensation is at risk. His compensation mix includes 25% base salary, 25% short-term incentive compensation and 50% long-term incentive compensation.

Performance payouts to Mr. Wetmore for 2007

Mr. Wetmore's at risk compensation payouts were based upon the achievement of performance criteria for the year. He received a \$900,000 payout from the short-term incentive plan. The payout was calculated based upon his salary of \$900,000, his incentive target of 100%, and the corporate performance result which limited payout under the STIP to 100%, as described above.

Mr. Wetmore received a long-term incentive compensation grant of \$1,800,000 for 2007 under the DUP representing 61,665 deferred units. The grant was based upon his salary of \$900,000 and long-term incentive target of 200%. The unit grant is subject to time and performance vesting. The units are eligible for vesting equally over three years, one third each year. The final balance and value of the units will be determined based upon vesting criteria at the end of the performance period, the accumulation of distributions and the fair market value at time of redemption.

The following table summarizes the compensation, including pension and other annual compensation, for Mr. Wetmore commencing with his appointment to Bell Aliant in July 2006.

Stephen Wetmore	2007	2006 ¹
President and chief executive officer	\$	\$
Base salary	900,000	431,250
Performance based compensation		
Short-term incentive plan	900,000	469,350
Target value of long-term incentive plan grant ²	1,800,000 ³	1,250,000 ³
Other compensation		
Annual pension cost ⁴	715,600	748,200
Perquisites	50,000	25,000
Other compensation ⁵	59,231	8,625
Total target compensation	4,424,831	2,932,425

Notes:

- (1) Compensation reported for 2006 represents amounts from July 7, 2006, the time at which Stephen Wetmore was appointed president and chief executive officer of Bell Aliant, through December 31, 2006.
- (2) The ultimate value of the equity compensation award is dependent on the fair market value of Fund units at the time of redemption.
- (3) Mr. Wetmore was awarded 61,665 deferred units in 2007 and 42,823 deferred units in 2006 under the DUP, each based on a unit price of \$29.19.
- (4) The annual value of the pension benefit is viewed as a component of total compensation even if there are no annual payments. See the Retirement plans section of this circular for Mr. Wetmore's detailed pension information.
- (5) Other compensation for Mr. Wetmore includes company contribution and interest earned in the employee unit ownership plan, and the value of the taxable benefit for his executive benefits.

Compensation for our other named executive officers

The following tables summarize the total compensation – salary, short-term incentives, long-term incentives, pension, perquisites and other annual compensation for the named executive officers for the past three years.

Chief financial officer**Glen LeBlanc**

Halifax, Nova Scotia

Age: 40

Deferred Unit Plan units: 32,082

Fund units: 2,521

In 2007, Mr. LeBlanc's short-term incentive plan target was 70% of base salary, and his long-term incentive plan target was 125% of base salary. For the year, his at risk target compensation totaled 66%. His compensation mix included 34% base salary, 24% short-term incentive compensation and 42% long-term incentive compensation.

Performance share units were awarded to Mr. LeBlanc in 2005. As described above, the performance criterion for this grant was not met. As a result, the units were cancelled. The value of his cancelled units had they vested at 100% would have been \$40,608.

Glen LeBlanc	2007	2006	2005
Chief financial officer	\$	\$	\$
Base salary	400,000	329,807	212,000
Performance based compensation			
Short-term incentive plan	280,000	311,360	143,775
Target value of long-term incentive plan grant ¹	500,000 ²	375,000 ²	325,679 ³
Other compensation			
Annual pension cost ⁴	128,900	124,000	33,000
Perquisites	45,000	45,000	25,000
Other compensation ⁵	11,540	54,461	0
Total target compensation	1,365,440	1,239,628	739,454

Notes:

- (1) The ultimate value of these grants is dependent on the fair market value of Fund units at the time of redemption.
- (2) Mr. LeBlanc was awarded 17,129 deferred units in 2007 and 12,847 deferred units in 2006 under the DUP, each based on a unit price of \$29.19.
- (3) This represents the target value of the Aliant stock option grant and the performance share unit grants. The 2005 options were granted at a price of \$29.25 and the performance share units were granted at a price of \$27.22 and \$29.22. The PSUP share units granted in 2005 were eligible to vest on November 30, 2007, however, as noted above, the performance conditions were not met and as a result, the performance share units did not vest and were cancelled.
- (4) The annual value of the pension benefit is viewed as a component of total compensation even if there are no annual payments. See the Retirement plans section of this circular for details.
- (5) Other compensation includes company contribution and interest earned in the employee unit ownership plan and the value of the taxable benefit on executive benefits. In 2006, Mr. LeBlanc received a \$50,000 recognition bonus, which is also included under Other compensation.

Executive vice-president and chief operating officer**Frank Fagan**

St. John's, Newfoundland and Labrador

Age: 64

Deferred Unit Plan units: 49,499

Fund units: 33,531

In 2007, Mr. Fagan's short-term incentive plan target was 75% of base salary and his long-term incentive plan target was 150% of base salary. For the year, his at risk target compensation totaled 69%. His compensation mix included 31% base salary, 23% short-term incentive compensation and 46% long-term incentive compensation.

Performance share units were awarded to Mr. Fagan in 2005. As described above, the performance criterion for this grant was not met. As a result the units were cancelled. The value of his cancelled units had they vested at 100% would have been \$276,977.

Frank Fagan	2007	2006	2005
Executive vice-president & chief operating officer	\$	\$	\$
Base salary	500,000	450,000	397,635
Performance based compensation			
Short-term incentive plan	375,000	417,000	224,334
Target value of long-term incentive plan grant ¹	750,000 ²	600,000 ²	660,094 ³
Other compensation			
Annual pension cost ⁴	0	0	0
Perquisites	45,000	45,000	30,000
Other compensation ⁵	53,099	43,291	40,543
Total target compensation	1,723,099	1,555,291	1,352,606

Notes:

- (1) The ultimate value of these grants is dependent on the fair market value of Fund units at the time of redemption.
- (2) Mr. Fagan was awarded 25,694 deferred units in 2007 and 20,555 deferred units in 2006 under the DUP, each based on a unit price of \$29.19.
- (3) This represents the target value of the Aliant stock option grant and the performance share unit grants. The 2005 options were granted at a price of \$29.25 and the performance share units were granted at a price of \$27.22 and \$29.22. The PSUP share units granted in 2005 were eligible to vest on November 30, 2007, however, as noted above, the performance conditions were not met and as a result, the performance share units did not vest and were cancelled.
- (4) The annual value of the pension benefit is viewed as a component of total compensation even if there are no annual payments. See the Retirement plans section of this circular for details.
- (5) Other compensation includes company contribution and interest earned in the employee unit ownership plan, the value of the taxable benefit on executive benefits and a \$25,000 yearly retention bonus.

Executive vice-president



Mahes Wickramasinghe

Toronto, Ontario

Age: 50

Deferred Unit Plan units: 34,832

Fund units: 3,194

In 2007, Mr. Wickramasinghe's short-term incentive plan target was 70% of base salary and his long-term incentive plan target was 125% of base salary. For the year, his at risk target compensation totaled 66%. His compensation mix included 34% base salary, 24% short-term incentive compensation and 42% long-term incentive compensation.

Mahes Wickramasinghe	2007	2006¹
Executive vice-president	\$	\$
Base salary	400,000	191,667
Performance based compensation		
Short-term incentive plan	280,000	146,020
Target value of long-term incentive plan grant ²	500,000 ³	450,000 ³
Other compensation		
Annual pension cost ⁴	122,400	121,300
Perquisites	45,000	20,365
Other compensation ⁵	10,436	4,898
Total target compensation	1,357,836	934,250

Notes:

- (1) Compensation reported for 2006 represents amounts from July 6, 2006, the time at which Mr. Wickramasinghe was appointed to Bell Aliant, through December 31, 2006.
- (2) The ultimate value of these grants is dependent on the fair market value of Fund units at the time of redemption.
- (3) Mr. Wickramasinghe was awarded 17,129 deferred units in 2007 and 15,416 deferred units in 2006 under the DUP, each based on a unit price of \$29.19.
- (4) The annual value of the pension benefit is viewed as a component of total compensation even if there are no annual payments. See the Retirement plans section of this circular for details.
- (5) Other compensation includes company contribution and interest earned in the employee unit ownership plan and a taxable benefit related to group life insurance.

President Bell Aliant Quebec and Ontario



Roch Dubé

Montreal, Quebec

Age: 54

Deferred Unit Plan units: 11,687

Fund units: 5,703

In 2007, Mr. Dubé's short-term incentive plan target was 60% of base salary, and his long-term incentive plan target was 75%¹ of base salary. For the year, his at risk target compensation totaled 61%. His compensation mix included 39% base salary, 23% short-term incentive compensation and 38% long-term incentive compensation.

Roch Dubé	2007	2006²
President Bell Aliant Quebec and Ontario	\$	\$
Base salary	425,000	202,404
Performance based compensation		
Short-term incentive plan	255,000	162,500
Target value of long-term incentive plan grant ³	318,754 ⁴	0
Other compensation		
Annual pension cost ⁵	150,900	117,300
Perquisites	40,000	18,461
Other compensation ⁶	10,776	7,474
Total target compensation	1,200,430	508,139

Notes:

- (1) Mr. Dubé's long-term incentive plan target was changed to 100% of base salary in April 2007, which will take effect for the 2008 long-term incentive plan grant.
- (2) Compensation reported for 2006 represents amounts from July 7, 2006, the time at which Bell Aliant Regional Communications Holdings, Limited Partnership acquired all of the outstanding shares of Bell Nordiq Group Inc., through December 31, 2006. Mr. Dubé served as president and chief executive officer of Bell Nordiq Group Inc. until his appointment to Bell Aliant in January 2007.
- (3) The ultimate value of these grants is dependent on the fair market value of Fund units at the time of redemption.
- (4) In 2007, Mr. Dubé was awarded 10,920 deferred units under the DUP based on a unit price of \$29.19.
- (5) The annual value of the pension benefit is viewed as a component of total compensation even if there are no annual payments. See the Retirement plans section of this circular for details.
- (6) Other compensation includes company contribution and interest earned in the employee unit ownership plan and taxable benefit on group life insurance.

SHARE/UNIT PERFORMANCE

The cumulative total return chart and share/unit performance graph below were prepared based on an investment of \$100 in Aliant common shares in 2002. The chart reflects the year-end price of Aliant common shares on the TSX for the years 2002 to 2005 and the year-end price of Fund units on the TSX for 2006 and 2007.

Cumulative total return ¹

	2002	2003	2004	2005	2006	2007	Return ²
Aliant/Fund	100	132	119	137	126	151	8.6%
S&P/TSX composite index	100	127	145	180	211	232	18.3%

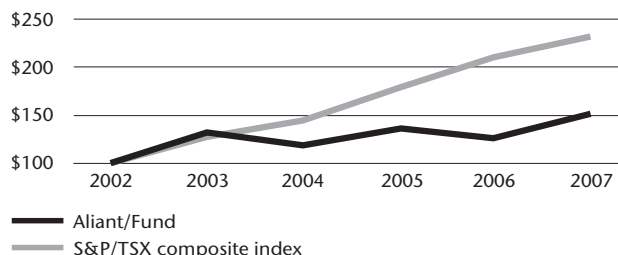
Notes:

(1) The cumulative total returns for 2002 to 2005 are for Aliant and for 2006 to 2007 are for the Fund. The final column "Return" reflects results for Aliant and the Fund combined.

(2) 5-year compounded annual growth rate.

Performance graph

The performance graph is based upon an initial investment of \$100 invested in Aliant common shares on December 31, 2002. For comparison purposes, also shown is the corresponding information in respect of the S&P/TSX composite index.



Report presented by the management resources and compensation committee:

Charles White (chair)
Robert Dexter
Victor Young
Lawson Hunter
Karen Sheriff

SUMMARY COMPENSATION

Compensation of officers

The table below outlines total compensation paid by Bell Aliant or its subsidiaries to the named executive officers of Bell Aliant for 2005, 2006 and 2007, in the form prescribed by the Canadian securities regulatory authorities.

Name and principal position ¹	Year	Annual compensation			Mid-term and long-term compensation				Total ¹⁰
		Salary (\$)	Short-term incentive compensation ² (\$)	Other annual compensation ³ (\$)	Aliant options granted ⁴ (\$)	Deferred units granted ⁵ (\$)	Mid-term incentive payouts ⁶ (\$)	All other compensation (\$)	
Stephen Wetmore President and chief executive officer	2007	900,000	900,000	50,000	0	1,800,000	N/A	286,947 ⁷	3,936,947
	2006	431,250	469,350	0	0	1,250,000	N/A	30,711 ⁷	2,181,311
Glen LeBlanc Chief financial officer	2007	400,000	280,000	0	0	500,000	0	76,869 ⁷	1,256,869
	2006	329,807	311,360	0	0	375,000	249,536	54,461 ⁷	1,320,168
	2005	212,000	143,775	0	161,600	0	N/A	0	517,375
Frank Fagan Executive vice-president and chief operating officer	2007	500,000	375,000	0	0	750,000	0	153,893 ^{7,8}	1,778,893
	2006	450,000	417,000	0	0	600,000	406,705	43,291 ^{7,8}	1,916,996
	2005	397,635	224,334	0	1,097,870	0	289,043	40,543 ^{7,8}	2,049,425
Mahes Wickramasinghe Executive vice-president	2007	400,000	280,000	0	0	500,000	N/A	81,363 ⁷	1,261,363
	2006	191,667	136,080	0	0	450,000	N/A	22,500 ⁷	800,247
Roch Dubé President Bell Aliant Quebec and Ontario	2007	425,000	255,000	0	0	318,754	N/A	1,165,431 ^{7,9}	2,164,185
	2006	202,404	162,500	0	0	0	N/A	54,358 ^{7,9}	419,258

Notes:

(1) Stephen Wetmore was appointed president and chief executive officer of Bell Aliant on July 7, 2006. Prior to that, Mr. Wetmore was executive vice-president of BCE and group president – corporate performance and national markets of BCE and Bell Canada. Compensation amounts for Mr. Wetmore in 2006 were based on earnings from July 7, 2006, to December 31, 2006.

Glen LeBlanc was appointed chief financial officer of Bell Aliant on July 7, 2006, prior to which he was senior vice-president and chief financial officer of Aliant from September 2005. He previously held the position of vice-president finance and controller.

Frank Fagan was appointed chief operating officer of Bell Aliant on July 7, 2006, prior to which he was executive vice-president and chief operating officer of Aliant from October 2002.

Mahes Wickramasinghe was appointed executive vice-president of Bell Aliant on July 7, 2006. He previously served as senior vice-president – corporate performance and national markets with BCE, and prior to that was BCE's chief auditor. Compensation reported for 2006 represents amounts from July 7, 2006 through December 31, 2006.

Roch Dubé, formerly president and chief executive officer of Bell Nordiq Group Inc., was appointed to Bell Aliant in January 2007. He currently holds the position of president Bell Aliant Quebec and Ontario.

Mr. Dubé previously served as director, president and chief executive officer of Bell Nordiq Group Inc. Compensation reported for 2006 represents amounts from July 7, 2006, through December 31, 2006.

- (2) All short-term incentive compensation shown is for the year earned.
- (3) Other annual compensation represents perquisite allowances of \$50,000 or greater. In the case of Mr. Wetmore, this perquisite allowance includes a car lease amount of \$12,959.
- (4) In 2005, grants were awarded at a grant price of \$29.25 under the Aliant stock option plan. The Aliant stock option plan terminated as of June 2006.
- (5) In 2006 and 2007, grants were awarded at a grant price of \$29.19 under the Bell Aliant Deferred Unit Plan. See the Long-term incentive compensation section of this information circular.
- (6) Amounts represent payouts on the 2005 Personal Performance Share Unit plan of Aliant which were scheduled to vest on November 30, 2006, and were terminated and paid out in accordance with the plan on July 5, 2006. Share units were subject to both time-based and performance-based vesting.
- (7) Includes accrued distributions in the Bell Aliant Deferred Unit Plan in 2007, employer contributions and interest paid to the named executive officers under the employee unit ownership plan are also included, and other taxable benefit amounts. In 2006, Glen LeBlanc received a recognition bonus of \$50,000. Mr. Dubé's amounts also include dividend equivalents on Bell Nordiq options paid by Bell Nordiq Partnerships in 2006 and in 2007.
- (8) Mr. Fagan received special retention payments, totaling \$25,000 in each of the years shown.
- (9) Amounts reflect payments made by the Bell Nordiq Partnerships in respect of termination of the Bell Nordiq option plan. In August 2006, 39,748 Bell Nordiq options were granted to Mr. Dubé at a price of \$17.56. These options were paid out in cash in January 2007 upon termination of the Bell Nordiq option plan. The total taxable benefit on all stock options held by Mr. Dubé upon termination of the Bell Nordiq option plan, including options granted prior to July 2006, was \$1,061,112.
- (10) Total column represents totals of all columns in the above table.

Long-term incentive compensation – awards in most recently completed financial year

Long-term incentive plan grants under the DUP were made to executives of Bell Aliant for the year. Below are actual grant amounts:

Deferred Unit Plan awards for 2007

Name	Deferred units granted ¹	% of total deferred units granted to employees for 2007	Vesting date	Estimated final units ^{2,3}
Stephen Wetmore	61,665	14%	1/3 2007; 1/3 2008; 1/3 2009	61,665
Glen LeBlanc	17,129	4%	1/3 2007; 1/3 2008; 1/3 2009	17,129
Frank Fagan	25,694	6%	1/3 2007; 1/3 2008; 1/3 2009	25,694
Mahes Wickramasinghe	17,129	4%	1/3 2007; 1/3 2008; 1/3 2009	17,129
Roch Dubé	10,920	2%	1/3 2007; 1/3 2008; 1/3 2009	10,920

Notes:

- (1) Amounts do not include additional units earned through distributions; more detailed information may be referenced in the Deferred Unit Plan awards outstanding section of this circular.
- (2) Final number of units will increase with the reinvestment of distributions over the three year vesting period.
- (3) Final number of units may decrease pending performance vesting.

Deferred Unit Plan awards outstanding

Name	Year of grant	Deferred Unit Plan outstanding units		
		Deferred units granted	Additional units earned	Estimated value as at December 31, 2007 ¹ (\$)
Stephen Wetmore	2007	61,665	4,333	1,942,321
	2006	42,823	3,009	1,348,836
Glen LeBlanc	2007	17,129	1,204	539,540
	2006	12,847	903	404,663
Frank Fagan	2007	25,694	1,805	809,325
	2006	20,555	1,444	647,431
Mahes Wickramasinghe	2007	17,129	1,204	539,540
	2006	15,416	1,083	485,566
Roch Dubé	2007	10,920	767	343,948

Notes:

- (1) Total estimated value of deferred units is calculated based on a unit price of \$29.43, the closing price of Fund units on the TSX on December 31, 2007.

Securities authorized for issuance under equity compensation plans

The following table shows, as of December 31, 2007, information regarding compensation plans under which equity securities of the Fund are authorized for issuance. The numbers shown next to *Equity compensation plans approved by security holders* relate to the Bell Aliant DUP, the Directors' DUP and the employee unit ownership plan. Please refer to the *Long-term incentive compensation* and the *Compensation of trustees and directors* sections of this circular and to note 7 of the Fund's consolidated financial statements for the period ended December 31, 2007, for further information.

Plan category	Number of securities to be issued upon vesting of units	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	1,700,000 ¹	3,763,432 ²

Notes:

- (1) Includes a reserve of 1,200,000 for the Bell Aliant DUP, a reserve of 300,000 for the matching deferred ownership plan and a reserve of 200,000 for the Directors' DUP. The matching deferred ownership plan is approved, but has not been implemented.
- (2) Includes the additional securities required for the employee unit ownership plan.

RETIREMENT PLANS

The amounts disclosed below are the approximate values of retirement plan obligations accrued as of December 31, 2007, the costs incurred during 2007, and the amounts payable upon retirement of the named executive officers. These amounts are all based on assumptions and contractual entitlements, which may change over time. The major assumptions used in making these estimates are consistent with those used to value all of Bell Aliant's post-employment benefit obligations and are disclosed in note 7 of Bell Aliant Holdings LP's consolidated financial statements for the year ended December 31, 2007.

Stephen Wetmore

Stephen Wetmore participates in the defined benefit provision of the Bell Aliant Pension Plan (Ontario and Quebec), and a supplementary executive retirement plan. The plans provide an annual pension per credited year of service of 1.0% of his best 36 consecutive months' average pensionable earnings up to the maximum pensionable earnings and 1.7% of his best 36 consecutive months' average pensionable earnings over the maximum pensionable earnings, to a maximum of 70% of his average pensionable earnings. Maximum pensionable earnings means the maximum pensionable earnings under the Canada Pension Plan for the year in which the plan member retires. Pensionable earnings include salary and short-term incentive payments up to target, but do not include mid-term or long-term compensation reported in the summary compensation table. The supplementary executive retirement plan provides for an additional half year of credited service for each year as a senior officer and at December 31, 2007, Mr. Wetmore had 12.8 credited years of such service. The supplementary retirement plan provides a survivor pension equal to 66.67% of Mr. Wetmore's pension benefit. Mr. Wetmore's retirement arrangement provides for a benefit at age 55 that is at least equal to 25% of his best 36 consecutive months' average pensionable earnings, plus an additional 3% per year of pensionable employment after age 55 to a maximum of 55% at age 65. At retirement, the supplementary executive retirement plan also provides for a lump-sum payment equal to Mr. Wetmore's annual salary immediately prior to retirement.

The estimated annual benefit for Mr. Wetmore at earliest retirement age of 55 is \$415,900. The total amount accrued under the registered pension plan and the supplementary executive retirement plan as of December 31, 2007, related to Mr. Wetmore is approximately \$6,666,400. The total cost of the plans attributable to Mr. Wetmore's 2007 service is approximately \$715,600.

The following table illustrates the estimated minimum annual pension benefits payable to Mr. Wetmore at retirement based on specified compensation levels and credited years of service.

Pensionable earnings	Credited years of service			
	15	20	25	30
500,000	147,000	197,000	247,000	275,000
900,000	264,600	354,600	444,600	495,000
1,000,000	294,000	394,000	494,000	550,000
1,100,000	323,400	433,400	543,400	605,000
1,200,000	352,800	472,800	592,800	660,000
1,300,000	382,200	512,200	642,200	715,000
1,400,000	411,600	551,600	691,600	770,000
1,500,000	441,000	591,000	741,000	825,000
1,800,000	529,200	709,200	889,200	990,000
2,000,000	588,000	788,000	988,000	1,100,000
2,200,000	646,800	866,800	1,086,800	1,210,000
2,500,000	735,000	985,000	1,235,000	1,375,000

Glen LeBlanc

Glen LeBlanc participates in the Bell Aliant Defined Benefit Pension Plan and a supplementary executive retirement plan. The plans provide an annual pension of 1.5% of his best 60 consecutive months' average pensionable earnings for each credited year of service before 2005, plus 1.7% of his best 36 consecutive months' average pensionable earnings for each credited year of service in or after 2005. Pensionable earnings include salary and short-term incentive payments but do not include recognition bonus, or mid-term or long-term compensation reported in the summary compensation table. At age 65, the pension benefit for service before 2005 is reduced to reflect benefits from the Canada Pension Plan. At December 31, 2007, Mr. LeBlanc had 14.28 credited years of service including 3.0 credited years of service from January 1, 2005. The supplementary executive retirement plan provides a survivor pension equal to 60% of Mr. LeBlanc's pension benefit.

Based on current earnings levels, the estimated annual benefit for Mr. LeBlanc at his earliest retirement age of 55 is \$234,300. The total amount accrued under the registered pension plan and the supplementary executive retirement plan as of December 31, 2007, related to Mr. LeBlanc is approximately \$1,471,500. The total cost of the plans attributable to Mr. LeBlanc's 2007 service is approximately \$128,900.

The following table illustrates the estimated annual pension benefits payable to Mr. LeBlanc at retirement based on specified compensation levels and credited years of service:

Pensionable earnings	Credited years of service			
	10	20	30	40
300,000	42,800	92,800	143,800	194,800
500,000	72,800	156,300	241,300	326,300
600,000	87,800	188,000	290,000	392,000
700,000	102,800	219,700	338,700	457,700
800,000	117,800	251,500	387,500	523,500
900,000	132,800	283,200	436,200	589,200
1,000,000	147,800	315,000	485,000	655,000
1,100,000	162,800	346,700	533,700	720,700
1,200,000	177,800	378,500	582,500	786,500
1,300,000	192,800	410,200	631,200	852,200
1,400,000	207,800	442,000	680,000	918,000
1,500,000	222,800	473,700	728,700	983,700
1,800,000	267,800	568,900	874,900	1,180,900

Frank Fagan

Frank Fagan participates in the Bell Aliant Defined Benefit Pension Plan and a supplementary executive retirement plan. The plans provide an annual pension per credited year of service of 1.5% of his best 36 consecutive months' average pensionable earnings, to a maximum of 70% of his average pensionable earnings. Pensionable earnings include salary, short-term incentives and other benefits received by Mr. Fagan, but do not include mid-term or long-term compensation reported in the summary compensation table. At age 65, the pension benefit is reduced to reflect benefits payable from the Canada Pension Plan. The supplementary executive retirement plan provides for an additional half year of credited service for each year as a senior officer and at December 31, 2007, Mr. Fagan had 60 credited years of service. The supplementary plan provides a survivor pension equal to 66.67% of Mr. Fagan's pension benefit. Mr. Fagan has reached the highest pension percentage and will receive a pension equal to 70% of the best average 36 consecutive months of pensionable earnings. At retirement, the supplementary executive retirement plan provides for a lump-sum payment equal to Mr. Fagan's annual salary immediately prior to retirement.

Based on current earnings levels, the estimated annual benefit for Mr. Fagan payable immediately on an unreduced basis is \$610,900. The total amount accrued under the registered pension plan and the supplementary retirement plan as of December 31, 2007, related to Mr. Fagan is approximately \$10,052,000. The total cost of the plans attributable to Mr. Fagan's 2007 service was zero as he has reached the highest pension percentage.

The following table illustrates the estimated annual pension benefits payable to Mr. Fagan at retirement based on specified compensation levels and credited years of service:

Pensionable earnings	Credited years of service				
	20	30	40	50	60
300,000	85,600	128,400	171,300	210,000	210,000
500,000	145,600	218,400	291,300	350,000	350,000
600,000	175,600	263,400	351,300	420,000	420,000
700,000	205,600	308,400	411,300	490,000	490,000
800,000	235,500	353,400	471,300	560,000	560,000
900,000	265,600	398,400	531,300	630,000	630,000
1,000,000	295,600	443,400	591,300	700,000	700,000
1,100,000	325,600	488,400	651,300	770,000	770,000
1,200,000	355,600	533,400	711,300	840,000	840,000
1,300,000	385,600	578,400	771,300	910,000	910,000
1,400,000	415,600	623,400	831,300	980,000	980,000
1,500,000	445,600	668,400	891,300	1,050,000	1,050,000
1,800,000	535,600	803,400	1,071,300	1,260,000	1,260,000

Mahes Wickramasinghe

Mahes Wickramasinghe participates in the defined benefit provision of the Bell Aliant Pension Plan (Ontario and Quebec), and a supplementary executive retirement plan. In general, Mr. Wickramasinghe will be entitled to receive supplementary executive retirement benefits upon attaining the earlier of:

- At least age 55, and the sum of age and service of at least 85, or
- At least age 60, and the sum of age and service of at least 80, or
- Age 65 and at least 15 years of service.

At retirement, the plans will provide an annual pension per credited year of service of 1.0% of his best 36 consecutive months' average pensionable earnings up to the maximum pensionable earnings and 1.7% of his best 36 consecutive months' average pensionable earnings over the maximum pensionable earnings, to a maximum of 70% of his average pensionable earnings. Maximum pensionable earnings means the maximum pensionable earnings under the Canada Pension Plan for the year in which the plan member retires. Pensionable earnings include salary and short-term incentive payments up to target, but do not include mid-term or long-term compensation reported in the summary compensation table. These benefits are not subject to any deductions for government benefits or other offset amounts. The supplementary executive retirement plan provides for an additional half year of credited service for each year as a senior officer and at December 31, 2007, Mr. Wickramasinghe had 6.6 credited years of service. The supplementary plan provides a survivor pension of about 60% of Mr. Wickramasinghe's pension benefit. At retirement, the supplementary executive retirement plan provides for a lump-sum payment equal to Mr. Wickramasinghe's annual salary immediately prior to retirement.

Based on current earnings levels, the estimated annual benefit for Mr. Wickramasinghe at his earliest retirement age of 63.35 is \$258,000. The total amount accrued under the registered pension plan and the supplementary executive retirement plan as of December 31, 2007, related to Mr. Wickramasinghe is approximately \$499,800. The total cost of the plans attributable to Mr. Wickramasinghe's 2007 service is approximately \$122,400.

Roch Dubé

Roch Dubé participates in the defined benefit provision of the Bell Aliant Pension Plan (Ontario and Quebec), and a supplementary executive retirement plan. In general, Mr. Dube will be entitled to receive supplementary executive retirement benefits upon attaining the earlier of:

- At least age 55, and the sum of age and service of at least 85, or
- At least age 60, and the sum of age and service of at least 80, or
- Age 65 and at least 15 years of service.

At retirement, the plans will provide an annual pension per credited year of service of 1.0% of his best 36 consecutive months' average pensionable earnings up to the maximum pensionable earnings and 1.7% of his best 36 consecutive months' average pensionable earnings over the maximum pensionable earnings, to a maximum of 70% of his average pensionable earnings. Maximum pensionable earnings means the maximum pensionable earnings under the Canada Pension Plan for the year in which the plan member retires. Pensionable earnings include salary and short-term incentive payments up to target, but do not include mid-term or long-term compensation reported in the summary compensation table. These benefits are not subject to any deductions for government benefits or other offset amounts. The supplementary executive retirement plan provides for an additional half year of credited service for each year as a senior officer and at December 31, 2007, Mr. Dubé had 31.6 credited years of service. The supplementary executive retirement plan provides a survivor pension of about 60% of Mr. Dubé's pension benefit. At retirement, the supplementary plan provides for a lump-sum payment equal to Mr. Dubé's annual salary immediately prior to retirement.

Based on current earnings levels, the estimated annual benefit for Mr. Dubé at his earliest retirement age of 55.22 is \$263,300. The total amount accrued under the registered pension plan and the supplementary retirement plan as of December 31, 2007, related to Mr. Dubé is approximately \$4,015,200. The total cost of the plans attributable to Mr. Dubé's 2007 service is approximately \$150,900.

The following table illustrates the estimated annual pension benefits payable to Mr. Wickramasinghe and Mr. Dubé at retirement based on specified compensation levels and credited years of service:

Pensionable earnings	Credited years of service			
	10	20	30	40
300,000	47,900	95,900	138,600	180,800
500,000	81,900	163,900	237,000	309,200
600,000	98,900	197,900	286,200	373,400
700,000	115,900	231,900	335,400	437,600
800,000	132,900	265,900	384,600	501,900
900,000	149,900	299,900	433,800	566,000
1,000,000	166,900	333,900	483,000	630,200
1,100,000	183,900	367,900	532,200	694,400
1,200,000	200,900	401,900	581,400	758,600
1,300,000	217,900	435,900	630,600	822,800
1,400,000	234,900	469,900	679,800	887,000
1,500,000	251,900	503,900	729,000	951,200
1,800,000	302,900	605,900	876,600	1,143,800

Termination of employment, change in responsibilities and employment agreements

Bell Aliant entered into an employment agreement with Stephen Wetmore in 2007 which supersedes the Bell Canada agreement assumed by Bell Aliant on July 7, 2006. Mr. Wetmore is entitled to receive, upon termination without cause, base salary at the date of termination for a period of the lesser of 30 months between the date of termination and the date on which he reaches 65 years of age and two and one half times his target payout under the short-term incentive plan for the year of termination. On the date of termination of employment in the event of termination without cause, all unvested DUP units for Mr. Wetmore will become vested deferred units at target.

As per their employment agreements, Bell Aliant shall provide the equivalent of 24 months cash compensation to Glen LeBlanc, Mahes Wickramasinghe and Roch Dubé should they be terminated without cause. In addition, Mr. LeBlanc is entitled in such circumstances to commence receipt of pension benefits from his defined pension at age 55 (or the age at termination, if later) without actuarial reduction for early retirement.

Mr. Fagan has no employment agreement.

Under the DUP, in the event of termination without cause, all unvested deferred units of Mr. LeBlanc, Mr. Fagan, Mr. Wickramasinghe, and Mr. Dubé will be prorated to the length of time from the grant date to the termination date. The pro-rated units will vest at the end of the performance period determined at the time of grant. The final balance will be dependent on performance criteria.

None of the named executive officers currently have change of control provisions.

Statement of governance practices

INTRODUCTION

The Fund and its principal operating entities (in this *Statement of governance practices* section collectively referred to as “Bell Aliant”) are committed to excellence in governance. Management believes it has laid the right foundation by systematically promoting a values-based culture across Bell Aliant. Bell Aliant maintains a formal governance framework, which clearly defines the roles and accountability of the Fund trustees, the Bell Aliant Holdings Inc. board of directors, the board and trustee committees and management. Bell Aliant embraces emerging governance standards and continues to refine its governance framework to reflect current best practices and evolving regulatory and legislative requirements. Management believes that governance excellence is a social responsibility as well as an essential tool in building long-term unitholder value.

The following describes Bell Aliant’s governance practices with reference to the governance disclosure required of issuers (including income trusts) under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”), including additional voluntary disclosure where appropriate to provide greater insight into adopted practices, as suggested in the TSX Guide to Good Disclosure for NI 58-101, and guidance on governance practices contained in National Policy 58-201 – *Corporate Governance Guidelines* (“NP 58-201”).

NP 58-201 indicates that income trust issuers, in applying the governance guidelines prescribed in that policy, should recognize that certain functions of a corporate issuer, its board and management, may be performed by the board or management of a subsidiary of the trust, or by a management company. Therefore, the disclosure of governance practices by income trust issuers should include those functions and activities provided to the income trust through subsidiary or management companies. In the case of the Fund, many of its administrative and/or governance functions are carried out through the Bell Aliant Holdings Inc. board of directors. Therefore, this *Statement of governance practices* makes reference to functions and activities carried out both by the Fund trustees and the Bell Aliant Holdings Inc. board of directors.

When NP 58-201 was published in June 2005, the Canadian Securities Administrators noted that some parties had expressed concerns about how NP 58-201 and NI 58-101 affect controlled companies, and indicated that they intended to carefully consider the issue in the context of a study of the governance of controlled companies. The Administrators indicated that after completing the study, they would consider whether to change how NP 58-201 and NI 58-101 treat controlled companies. To date, the Canadian Securities Administrators have not issued any formal guidance regarding the governance of controlled companies.

GOVERNANCE DISCLOSURE

Board of directors

“Independent” and “non-independent” directors

For the purposes of NI 58-101, a director is independent if he or she has no direct or indirect material relationship with the issuer. A “material relationship” means a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. The Canadian securities regulators have stipulated certain relationships which are deemed to affect independence.

The Bell Aliant Holdings Inc. board is responsible for determining whether a director is “independent” for the purposes of NI 58-101 and Multilateral Instrument 52-110 – *Audit Committees* (“MI 52-110”), on the advice of the governance committee. In making this determination, the board and committee assess whether a director has any material relationship with the Fund or any of its affiliates which could reasonably interfere with the exercise of independent judgment. To assist with this determination, information is obtained from directors as to their particular circumstances and relationships, including through an annual questionnaire.

Based on information provided to the Bell Aliant Holdings Inc. board by individual directors, the board has concluded that Robert Dexter, Edward Reevey, Louis Tanguay, Charles White and Victor Young are independent within the meaning of NI 58-101. The board has also determined that (i) Stephen Wetmore, the president and chief executive officer of Bell Aliant LP, (ii) Michael Sabia, the chief executive officer of BCE, and (iii) Karen Sheriff, (iv) Lawson Hunter, (v) Kevin Crull and (vi) Patrick Pichette, all of whom are executive officers of BCE and/or Bell Canada, are not independent within the meaning of NI 58-101. Therefore, the board is currently composed of 11 directors, five of whom are independent. Expressed as a percentage, 45% of the directors are independent. Four of the five Fund trustees are independent (expressed as a percentage, 80% of the Fund trustees are independent). A majority of the members of each board committee are independent, and all members of the audit committee are independent.

Other directorships

Where any director proposed to be approved on June 18, 2008, is presently a director of any other reporting issuer (or the equivalent), this information is provided in the *About the nominated directors and trustees* section of this information circular. The Bell Aliant directors and trustees presently have no interlocking directorships, except for Michael Sabia and Victor Young, who are both members of the board of BCE.

Governance manual

Upon the creation of Bell Aliant, the trustees and board adopted a governance manual (the "governance manual") which they review and update annually (or additionally as appropriate). The governance manual documents the governance principles and practices of the trustees and board and provides trustees and directors with information and guidance on their fiduciary and functional responsibilities. The governance manual is available in the governance section of Bell Aliant's website at www.bell.aliant.ca.

Chair of the board of Bell Aliant Holdings Inc. and chair of the Fund Trustees

The governance manual provides that the chair of the board is a non-executive position, and that the positions of chair and chief executive officer of Bell Aliant are to be separate. The governance manual also provides that if the chair of the board is not independent, then a lead independent director and vice-chair shall be appointed from among the independent directors, and that if the chair of the trustees is not independent, then a lead independent trustee and vice-chair shall be appointed from among the independent trustees. Michael Sabia, a non-independent director, serves as chair of the board; Lawson Hunter, a non-independent trustee, serves as chair of the trustees. Charles White, an independent director, serves as lead independent director and trustee and vice-chair of the board and trustees. Mr. White served as chair of the Aliant board from 1999 to July 2006, and served in the same capacity for NewTel Enterprises Limited from 1994 to 1999. A summary of the chair's and lead independent director/trustee's roles and responsibilities is set out in the trustee and board mandates, which are included in the *Board, trustee and committee mandates* section of this information circular.

Independence of the board and trustees

The chair's and vice-chair's responsibilities specifically include ensuring the trustees and board can function independently of management. When appropriate, to ensure independence from management, the CEO is requested to withdraw from meetings of the board and trustees and similarly to withdraw from meetings of committees. Directors also meet without management at each meeting of the board and certain committee meetings.

In his role as the non-executive and independent vice-chair, Charles White focuses much of his energy and resources on ensuring open and candid discussion takes place among the board's independent directors as well as between independent and non-independent directors. To enhance board effectiveness, the governance manual provides that the lead director and vice-chair shall ensure the independent directors have an opportunity to meet without management and non-independent directors at each regularly scheduled board meeting. In 2007, the independent directors met eight times.

Relationship with BCE Inc. and Bell Canada

Bell Aliant entered into several agreements in July 2006 with, among others, BCE and Bell Canada, including the Securityholders' Agreement, as described in the section of this information circular titled *About the Fund*, which provide BCE and Bell Canada with certain governance rights.

Bell Aliant and Bell Canada also entered into a series of long-term commercial agreements which provide Bell Aliant with a broad range of technical, operational and human resources support services.

Director responsibilities

The mandates of the Fund trustees and Bell Aliant Holdings Inc.'s board of directors are set out in the governance manual. The manual provides a number of guidelines which directors and trustees are urged to keep in mind in the exercise of their individual responsibilities, including the requirement to read mail-out materials, maintain a good attendance record and acquire adequate information for decision-making. The following tables show the attendance record for each Fund trustee and director of Bell Aliant Holdings Inc. for all trustee, board and committee meetings held since January 1, 2007.

Attendance by Bell Aliant Holdings Inc. directors and Fund trustees

Director/trustee	Fund		Fund and Bell Aliant Holdings Inc. Management resources and compensation committee						Bell Aliant Holdings Inc.							
	Fund trustees		Audit committee		Governance committee		Management resources and compensation committee		Board		DB pension committee ⁵		DC pension committee ⁵		Pension committee ⁵	
	2007 ¹	2008 ²	2007 ¹	2008 ²	2007 ¹	2008 ²	2007 ¹	2008 ²	2007 ¹	2008 ²	2007 ¹	2008 ²	2007 ¹	2008 ²	2007 ¹	2008 ²
Kevin Crull	—	—	—	—	—	—	—	—	9/10	4/4	—	NA	—	NA	—	—
Robert Dexter	—	—	7/7	3/3	5/5	2/2	5/5	2/2	9/10	4/4	—	NA	—	NA	—	—
Lawson Hunter ⁴	7/7	2/3	—	—	4/5	2/2	4/5	1/2	10/10	3/4	1/1	NA	1/1	NA	1/2	0/0
Patrick Pichette	—	—	—	—	—	—	—	—	7/10	3/4	—	NA	—	NA	—	—
Edward Reevey ⁴	7/7	3/3	7/7	3/3	—	—	—	—	10/10	4/4	1/1	NA	1/1	NA	2/2	0/0
Michael Sabia ³	—	—	—	—	—	—	—	—	9/10	4/4	—	NA	—	NA	—	—
Karen Sheriff	—	—	—	—	5/5	1/2	5/5	1/2	9/10	4/4	—	NA	—	NA	—	—
Louis Tanguay ⁴	6/7	2/3	7/7	2/3	—	—	—	—	9/10	3/4	—	NA	—	NA	—	—
Stephen Wetmore ³	—	—	—	—	—	—	—	—	10/10	4/4	—	NA	—	NA	—	—
Charles White ⁴	7/7	3/3	7/7	3/3	5/5	2/2	5/5	2/2	10/10	4/4	1/1	NA	1/1	NA	2/2	0/0
Victor Young ^{4,6}	7/7	—	1/2	3/3	5/5	2/2	5/5	2/2	9/10	4/4	—	NA	—	NA	—	—

Notes:

- (1) Includes meetings attended/held from January 1 – December 31, 2007.
- (2) Includes meetings attended/held from January 1 – April 30, 2008.
- (3) Michael Sabia, chair of the Bell Aliant Holdings Inc. board, and Stephen Wetmore, president and chief executive officer of Bell Aliant Holdings Inc., attended many of the regularly scheduled standing committee meetings but are not members of those committees.
- (4) Lawson Hunter, Edward Reevey, Louis Tanguay, Charles White and Victor Young are trustees of the Fund.
- (5) On July 26, 2007, the defined benefit pension fund committee and the defined contribution pension fund committee were combined to become one pension committee. There were no meetings of the pension committee from January 1 through April 30, 2008.
- (6) Victor Young was a member of the audit committee until March 1, 2007.

Fund trustees and board responsibilities

Trustee, board and committee mandates

The governance manual contains a detailed written mandate for the board, which sets out the board's responsibility for the stewardship of the organization, including oversight of the operation of the business and supervision of management. A copy of the written mandate of the board of directors as contained in the governance manual is included in the *Board, trustee and committee mandates* section of this information circular. This section also contains written mandates for the Fund trustees and for the governance, management resources and compensation, and pension committees, which outline the responsibilities the board and trustees, as applicable, have assigned to each standing committee. The audit committee mandate is available in the governance section of Bell Aliant's website at www.bell.aliant.ca and is attached as Schedule 2 of Bell Aliant Holdings LP's 2007 annual information form dated March 28, 2008, which can be found at www.sedar.com. The governance committee is responsible for reviewing the trustee and board mandates, as well as the terms of reference for the committees, the chair, vice-chair and lead independent director/trustee and the chief executive officer, on an annual basis.

Strategic planning process

Management is required to submit annually to the board a long-term strategic plan as well as an annual business and financial plan setting out the opportunities and risks associated with the business. The board holds a strategic planning session annually to review and discuss this plan with management which takes into account, among other things, the opportunities and risks of the business. Once approved, the board monitors performance against the strategic plan and budget at each board meeting. The overall strategic direction is described in Bell Aliant Holdings LP's management discussion and analysis, which can be found at www.sedar.com.

Principal risks

The board has responsibility under the governance manual for ensuring implementation of the appropriate systems to identify and manage the principal risks of the business. Bell Aliant has adopted an enterprise risk management program to ensure risks are identified and mitigation strategies adopted. Risks are identified taking into consideration economic and competitive factors, technological developments and the regulatory regime. The principal risks are described in Bell Aliant Holdings LP's management discussion and analysis and annual information form. The audit committee has responsibility for reviewing and monitoring the risk assessment systems and internal controls in major accounting and financial reporting systems, and for overseeing the enterprise risk management program.

Succession planning

The board is explicitly responsible under the governance manual for the appointment, remuneration, performance evaluation and replacement of the chief executive officer and senior leaders upon the recommendation of the management resources and compensation committee, and advice of the chief executive officer with respect to the senior leaders, and in the case of appointment or replacement of the chief executive officer, subject to the consent of BCE as required under the Securityholders' Agreement. The board is also responsible for ensuring that plans have been made for management succession. The management resources and compensation committee reviews management's executive succession plans annually or as appropriate and brings them forward for the board's consideration. The succession plan includes specific development plans for potential successors. This committee also reviews, on an annual basis or as needed, any proposed or required organizational changes.

Communication policy

The written mandates of both the trustees and board include responsibility for ensuring that material information, including that relating to the financial performance of Bell Aliant, is fairly and adequately disclosed to unitholders, other security holders and regulators on a timely and regular basis. The trustees and board have adopted a disclosure policy to ensure that communications with the public are timely, factual, accurate, complete, and broadly disseminated in accordance with securities laws. The audit and governance committees review the policy periodically. The trustees and board have established a disclosure and compliance committee responsible for oversight of all public disclosure. The committee is responsible to the trustees and board for, among other things, implementing, administering and monitoring the effectiveness of the disclosure policy; assessing the materiality of information and developments; reviewing all disclosure documents; supervising the design, establishment and maintenance of disclosure controls and procedures and internal controls over financial reporting; and monitoring the integrity and effectiveness of Bell Aliant's disclosure controls and procedures and internal controls over financial reporting. The disclosure and compliance committee reviews all major public announcements and makes recommendations to the trustees, board and their committees. The audit committee is responsible for the review of all financial statements, management discussion and analysis and earnings press releases of the Fund and Bell Aliant Holdings LP which require the approval of the board and/or Fund trustees, and for ensuring adequate procedures are in place for the review of Bell Aliant's disclosure of financial information.

The trustees and board also established measures for receiving feedback from unitholders. In addition to our annual unitholder meeting, Bell Aliant has an investor relations service to receive and respond to investor comments and inquiries. In addition, Bell Aliant holds regular meetings with the investment community and the media to explain results and answer questions.

Internal controls

The board's written mandate includes responsibility for ensuring the integrity of Bell Aliant's internal control and management information systems. As outlined above, the disclosure and compliance committee is responsible to the board for, among other things, supervising the design, establishment and maintenance of, and monitoring the integrity and effectiveness of, Bell Aliant's disclosure controls and procedures and internal controls over financial reporting. The committee is responsible for evaluating the design of the disclosure controls and procedures on a quarterly basis. Annually, the committee evaluates the operating effectiveness of disclosure controls and procedures and the design of the internal controls over financial reporting.

Approach to governance

The governance committee is explicitly charged with, among other things, responsibility to review governance issues and to make recommendations to the trustees and board in relation to governance best practices, as it deems appropriate, to enhance Bell Aliant's performance. This committee is responsible for the regular review of changes in the governance regulatory area and for Bell Aliant's annual statement of governance practices. The committee's mandate is included in the *Board, trustee and committee mandates* section of this information circular. As outlined above, the trustees and board have adopted a governance manual which documents the governance principles and practices of the board and trustees.

Stakeholder feedback

Bell Aliant has established an investor relations service, administered by CIBC Mellon, to receive and respond to unitholder or investor inquiries. The board, trustees and senior leaders encourage inquiries from unitholders, which are dealt with promptly. Bell Aliant has also established a toll free phone number for ease of contacting our investor relations group.

Position descriptions

Position descriptions have been prepared for the chair and vice-chair of the board, committee chairs and the chief executive officer, and are included in the *Board, trustee and committee mandates* section of this information circular. The position descriptions are reviewed annually by the governance committee as part of its review of the governance manual, and approved by the board and trustees.

CEO performance assessment

The management resources and compensation committee, together with the board, review and approve objectives for the president and chief executive officer on a regular basis. This committee and the board conduct annual assessments of the chief executive officer's performance against these objectives.

Orientation and continuing education

Director/trustee orientation

The governance committee is responsible for reviewing, monitoring and making recommendations regarding new director/trustee orientation. Bell Aliant has a formal orientation program in place, which is supplemented by written materials in the form of a comprehensive orientation manual. The orientation manual includes, among other things copies of Bell Aliant's organizational documents and governance policies as well as information on directors' and trustees' statutory and common law duties and performance standards.

The orientation of directors/trustees seeks to educate new directors and/or trustees on the nature of Bell Aliant's operations, the telecommunications industry generally, as well as governance fundamentals. The orientation program includes visits to Bell Aliant offices in various locations, contact with senior leaders, site visits of customer facilities as appropriate to the needs, interests and experience of the director/trustee and briefings related to social, economic and political characteristics and trends in Bell Aliant's operating territories. Bell Aliant adapts its core orientation agenda to the specific experience, needs and interests of individual directors/trustees.

Ongoing education

Bell Aliant holds periodic educational sessions for directors/trustees at which one or more aspects of the business are discussed in detail. The subject matter for these sessions is determined based on interests and needs identified by directors/trustees and through discussion with the board and trustee chairs or vice-chairs. The governance committee is also mandated to review and make recommendations regarding ongoing development of directors/trustees.

Ethical business conduct

Code of business conduct and ethics

The trustees and board have adopted a code of ethical behaviour entitled "*Living Our Corporate Values, Our Code of Business Conduct and Ethics*" (the "Code"). This document sets out a detailed code of ethical business conduct which is to be followed by all employees, officers, directors and trustees of Bell Aliant.

The Code is accessible at Bell Aliant's website www.bell.aliant.ca by following the links: i) About Us; ii) Governance; and iii) Code of business conduct and ethics. The Code is also available to all employees on Bell Aliant's intranet site, Connexion. New directors and trustees are provided with a copy of the Code in their orientation manuals.

The governance and audit committees monitor compliance with this Code, and the audit committee receives regular reports from the internal audit group regarding complaints or enquiries received under Bell Aliant's anonymous reporting procedures, or otherwise, regarding issues of an ethical nature. Bell Aliant requires all employees, officers and directors and trustees to strictly comply with the Code.

Conflict of interest policy

The governance manual includes a conflict of interest policy which applies to all directors/trustees. Among other things, this policy addresses each director's and trustee's responsibility to avoid conflicts of interest, and provides examples of conduct that may constitute a conflict of interest. The policy requires directors and trustees to declare any conflict of interest that may arise relating to any business that comes before the board or trustees. The policy also requires that directors and trustees refrain from voting on any such matter, and when appropriate absent themselves from board discussion regarding the issue.

Corporate culture

Through the governance manual, the trustees and board also charge the chief executive officer with fostering a corporate culture that promotes ethical practices, encourages individual integrity and fulfills social responsibility, and with maintaining a positive and ethical work environment.

Affirmations

All of Bell Aliant's directors, trustees, officers and senior leaders are required to provide annual written compliance affirmations with respect to the Code and other key governance policies. All employees are required to read and acknowledge that they have understood the Code on an annual basis.

Nomination of trustees and directors

Governance committee

The governance committee is composed of five external directors, three of whom are independent. A copy of the governance committee's mandate is included in the Board, trustee and committee mandates section of this information circular. This committee is responsible for, among other things, making recommendations to the board and trustees, as applicable, regarding new candidates for director or trustee nomination. Bell Aliant's director/trustee selection process is outlined in the governance manual, which is available in the Governance section of Bell Aliant's website at www.bell.aliant.ca.

Director/trustee selection process

The Securityholders' Agreement provides that the Bell Aliant Holdings Inc. board shall consist of between eleven (11) and fifteen (15) members. The size of the Bell Aliant Holdings Inc. board and the board of Fund trustees is determined annually based on current needs. The governance committee has concluded that the current number of directors on the Bell Aliant Holdings Inc. board is appropriate. Therefore, this year, unitholders will be asked to approve the appointment by the Fund trustees of five directors in addition to the six directors to be appointed by BCE. This is considered an efficient size and will allow for effective decision making. The Fund Declaration of Trust provides that the number of Fund trustees shall be a minimum of three (3) and a maximum of twenty (20) trustees. The governance committee has concluded that the current number of trustees is appropriate. Therefore, this year, unitholders will be asked to elect five trustees of the Fund. This is considered an efficient size and will allow for effective decision making.

As part of the nominating process, the governance committee will consider the composition of the Bell Aliant board and trustees, taking into consideration the competencies, strengths, skills and experience of the current members, retirement dates and Bell Aliant's strategic direction. This will assist the committee in determining the essential and desired experience and skills of potential directors and trustees and recommending new candidates.

The governance manual includes a formal director/trustee selection process which includes: review of the strategic objectives of Bell Aliant; analysis of the current skill, experience and board dynamics; a divergence analysis to identify desirable characteristics to be sought in new board nominees; the development of search criteria; the conduct of a formal search process, including the use of professional consultants when and as needed; and, the selection process itself. The committee will use this process to fill vacancies as they arise, rather than maintaining a list of potential directors/trustees. The governance manual also outlines selection criteria for individual candidates and the composition of the board and trustees as a whole. The selection criteria require the board to consider whether an individual possesses adequate time, capability and willingness to fulfill the responsibilities of director/trustee. The governance committee assesses whether nominees will be able to devote sufficient time on the basis of discussions with the nominees and the committee's understanding of the time required to satisfy the board's needs.

As part of the nomination process, the governance committee, in conjunction with the chair and vice-chair of the board, assesses the ongoing performance of the current directors/trustees annually. Bell Aliant does not have a mandatory retirement policy for trustees or directors.

As described above under the heading *About the Fund*, BCE and Bell Canada have certain rights with respect to the appointment of directors of Bell Aliant Holdings Inc. and nomination of trustees of the Fund. BCE has complete discretion with respect to the exercise of these rights. The director/trustee selection process is subject to these rights.

The current complement of directors and trustees were appointed in July 2006.

Majority voting

Early in 2007, the board and trustees adopted, on a voluntary basis, majority voting principles for the approval of directors and election of trustees at the annual unitholders' meeting. The board and trustees have committed to maintain the practice of ensuring that the proxy forms used for the election of trustees and approval of directors by Fund unitholders enable unitholders to vote in favour of, or to withhold their vote, separately for each director and trustee nominee. The board and trustees adopted a policy which stipulates that, at any unitholders' meeting at which directors or trustees are to be elected or approved, as applicable, in an uncontested election, if any director or trustee nominee receives a greater number of votes "withheld" from his or her election or appointment than votes "for", such nominee shall, no later than 10 days following the receipt of the audited and final scrutineer's report relating to such meeting, submit to the board or trustees as appropriate his or her resignation letter, which shall take effect only upon the acceptance of such resignation by the board or trustees.

The board or trustees, as appropriate, 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 or trustee's offer to resign, and the board or trustees shall promptly disclose, via press release, the determination, including, in cases where the board or trustees have determined not to accept a resignation, the reasons therefor. It is generally expected that the governance committee will recommend that the board or trustees accept such resignation except in extraordinary circumstances. If a resignation is accepted, the board or trustees as appropriate may appoint a new director or trustee to fill any vacancy, or may reduce the size of the board or trustees.

Compensation

Management resources and compensation committee

The board and trustees have appointed a management resources and compensation committee composed of five external directors, three of whom are independent. This committee has a written mandate that establishes the committee's purpose, responsibilities, and membership composition. A copy of the mandate is included in the *Board, trustee and committee mandates* section of this information circular.

The management resources and compensation committee is charged with approving the goals and objectives of the chief executive officer and other key executives and also has responsibility for, among other things:

- Establishing and administering a plan of continuity for executives and other key employees;
- Establishing and administering a broad plan of executive compensation that is competitive and motivating in order to attract, hold and inspire the executive management and other key employees;
- Reviewing public disclosure regarding executive compensation;
- An annual review of the performance of each member of executive management and recommendations for compensation; and
- Procedures for the review and oversight of benefit plans, perquisite arrangements, and employee pension plans.

Executive compensation

A detailed explanation of how executive compensation is determined, as well as Fund unit ownership requirements for named executive officers, can be found in the *Report on executive compensation* in this information circular. The management resources and compensation committee reviews executive compensation disclosure before it is publicly disclosed.

Trustee and director compensation

The governance committee annually recommends the remuneration and benefits to be provided or paid to trustees and directors. The recommendation follows a review of market data on director compensation at comparable public trusts and companies. This analysis looks at trustee/director compensation at similarly sized entities, as well as organizations in the telecommunications industry and other public entities, for benchmarking purposes. In arriving at its recommendation, the committee also seeks advice from professional compensation consultants as it deems appropriate and necessary. The end result reflects the specific functions and responsibilities of the Fund trustees and the Bell Aliant directors and the current market. A detailed explanation of the compensation paid to directors, as well as minimum Fund unit ownership requirements, can be found in the section of this information circular entitled *Compensation of trustees and directors*.

Other committees

The pension committee of the Bell Aliant Holdings Inc. board is composed of three external directors, two of whom are independent. The function of this committee is described in its mandate, which is included in the *Board, trustee and committee mandates* section of this information circular.

Section 5.1 of MI 52-110 requires issuers to provide specific and detailed disclosure regarding their audit committees. This audit committee disclosure can be found in schedules 1 and 2 of Bell Aliant Holdings LP's and the Fund's 2007 Annual Information Form, which can be found at www.sedar.com.

Assessments

The governance committee is responsible for assessing the skills and competencies of the trustees and board as a whole and the performance of each director/trustee on a yearly basis. The committee also conducts an annual review and assessment of the chairs of the board and trustees and their committees. Assessment occurs through various means as determined by the governance committee including surveys, one-on-one interviews and group discussions. As part of the annual re-nomination process, the committee reviews individual director contribution in terms of meeting attendance, preparedness, participation, value added contribution and other criteria.

Compensation of trustees and directors

Compensation

The directors of Bell Aliant Holdings Inc. are compensated based on an annual fixed fee of \$110,000 for all directors including the chair of the board, with an additional \$40,000 annual retainer (total \$150,000) for the chair of the audit committee and an additional \$90,000 (total annual retainer of \$200,000) for the vice-chair and lead independent director. Directors employed by the Fund, its operating entities, BCE or Bell Canada do not receive any compensation. In the case of directors employed by BCE or Bell Canada, in respect of their duties as directors, compensation is paid to Bell Canada as deemed appropriate by Bell Canada and Bell Aliant. Non-employee members of the board are also reimbursed for travel and other out-of-pocket expenses incurred as a result of attending board and committee meetings. Fund trustees who are also directors of Bell Aliant Holdings Inc. do not receive compensation as trustees that is in addition to the compensation they receive as directors of Bell Aliant Holdings Inc.

Deferred Unit Plan

Bell Aliant established a deferred unit plan for trustees and directors (the "Directors' DUP") in January 2007, subject to receipt of a favourable advance tax ruling from the Canada Revenue Agency. A favourable advance tax ruling was not received from the Canada Revenue Agency. As a result, fees initially deferred to the Directors' DUP in 2007 have been paid in cash. For 2008, Bell Aliant intends to again implement the Directors' DUP, subject to receipt of a favourable advance tax ruling from the Canada Revenue Agency. If such a ruling is not received, it is anticipated that directors' fees will be paid in cash. For a description of the Directors' DUP, see the *Description of Directors' DUP* section below.

2007 compensation

The following table outlines the compensation earned by each director in 2007.

Director	Annual retainer (\$)
Kevin Crull ¹	0
Robert Dexter	110,000
Lawson Hunter ¹	0
Patrick Pichette ¹	0
Edward Reevey ²	150,000
Michael Sabia, Chair ¹	0
Karen Sheriff ¹	0
Louis Tanguay	110,000
Stephen Wetmore	0
Charles White, vice-chair and lead independent director	200,000
Victor Young	110,000

Notes:

- (1) In the case of directors employed by BCE or Bell Canada, compensation is paid to Bell Canada as deemed appropriate by Bell Canada and Bell Aliant.
(2) Edward Reevey is chair of the audit committee.

Description of Directors' DUP

The Directors' DUP is intended to enhance the Fund's and Bell Aliant Holdings Inc.'s ability to attract and retain high quality individuals to serve as trustees and directors and to promote a greater alignment of interests between non-employee trustees and directors and the unitholders of the Fund. Each trustee or director who is not an employee of the Fund, its subsidiaries, BCE or Bell Canada (an "eligible person") is eligible to participate in the Directors' DUP. The Directors' DUP requires that 100% of an eligible person's annual retainer be paid in the form of deferred units until the minimum unit ownership requirement is met, as outlined below. Once the minimum ownership requirement is met in a given year, the Directors' DUP provides that an eligible person shall continue to receive, for that year, 100% of any remaining annual retainer in deferred units. In future years, an eligible person must elect to defer 25%, 50% or 100% of their annual compensation to the Directors' DUP. At the end of each quarter, fees deferred are divided by the market value of a Fund unit and converted to deferred units. Distributions on deferred units are credited to each eligible person's account in the form of additional units at the end of each quarter. Upon termination of board service, the eligible person will receive from treasury Fund units equal to the deferred units recorded in the eligible person's account.

The Directors' DUP also provides that a trustee or director will be entitled to receive additional units for distributions that would have been paid in respect of the trustee's or director's entitlement to units under the Directors' DUP, as if such units had already been issued, based on the market price of units as described above. The trustees may impose vesting conditions on any entitlement to units under the Directors' DUP, in their discretion.

The maximum number of units authorized for issuance under the Directors' DUP is 200,000 units (or 0.1% of the number of outstanding Fund units (on a fully diluted basis, assuming the exchange of all exchangeable limited partnership units of Bell Aliant Holdings LP and Bell Aliant LP held by BCE or its affiliates)). In addition, the maximum number of units which may be issued to insiders (as defined in the TSX Company Manual) within one year period and issuable to insiders at any time under the Directors' DUP and all other security based compensation arrangements is 10% of the total number of outstanding units (on a fully diluted basis, assuming the exchange of all exchangeable limited partnership units of Bell Aliant Holdings LP and Bell Aliant LP held by BCE or its affiliates). The assignment or transfer of any benefits under the Directors' DUP will not be permitted other than by operation of law. Any amendment that increases the maximum number of units issuable pursuant to the Directors' DUP or extends the last date on which units may be issued to insiders under the Directors' DUP will require the approval of unitholders. The trustees of the Fund may make any other amendments and may suspend or terminate the Directors' DUP without the approval of the unitholders, provided any amendment does not alter or impair any rights already accrued by a trustee or director, without the consent of the affected trustee or director.

Minimum ownership requirements

The Board of Bell Aliant Holdings Inc. established minimum ownership requirements in 2006. These ownership requirements were established concurrent with the establishment of the Directors' DUP. With the Directors' DUP not in effect, these ownership requirements may be revised in future. Directors are required to hold units and/or deferred units with a minimum combined market value of \$250,000 within three years following their appointment. Directors who are employed by the Fund, its operating entities, BCE or Bell Canada do not receive compensation. Those directors are therefore not required to meet unit ownership requirements. Stephen Wetmore, as president and chief executive officer of Bell Aliant Holdings Inc., is subject to a minimum unit ownership requirement of Fund units equal to four times his base salary. Fund unit ownership requirements for Mr. Wetmore can be found in the *Report on executive compensation*.

The following table shows each director's minimum ownership requirements as well as the number of Fund units held as at December 31, 2007 and the aggregate value thereof, which is the number of Fund units multiplied by the closing price of Fund units on the TSX on December 31, 2007 (\$29.43).

Director	Total units held by directors as at December 31, 2007		
	Unit ownership requirement (must be met within three years of joining the board) (\$)	Fund units (#)	Total value of Fund units (\$)
Kevin Crull ¹	NA	220	6,475
Robert Dexter	250,000	1,814	53,386
Lawson Hunter ¹	NA	750	20,073
Patrick Pichette ¹	NA	712	20,954
Edward Reevey	250,000	37,963	1,111,251
Michael Sabia ¹	NA	6,829	200,977
Karen Sheriff ¹	NA	540	15,892
Louis Tanguay	250,000	17,030	501,193
Stephen Wetmore ²	See footnote 2	143,518 ³	4,223,735
Charles White	250,000	11,573	340,593
Victor Young	250,000	5,500	161,865

Notes:

(1) In the case of directors employed by BCE or Bell Canada, there is no unit ownership requirement as compensation is paid to Bell Canada as deemed appropriate by Bell Canada and Bell Aliant.

(2) Executive ownership requirements apply as noted above. For further information refer to the Report on executive compensation section of this information circular.

(3) This number includes 31,689 Fund units and 111,829 deferred units. For further information refer to the Report on executive compensation section of this information circular.

Other important information

INDEBTEDNESS OF TRUSTEES, DIRECTORS AND SENIOR LEADERS

Bell Aliant Holdings Inc. has a policy prohibiting loans to trustees, directors and officers of Bell Aliant. In 2007, none of the Fund, Bell Aliant Holdings Inc. or their subsidiaries provided a guarantee, support agreement, letter of credit, or other similar arrangement or understanding with respect to the indebtedness of a trustee, director, officer, proposed nominee for election as a trustee, director, or any associate of any such trustee, director, officer or proposed nominee. No trustee, director, officer or proposed nominee for election as a trustee or director or any person associated or affiliated with such trustees, directors, officers or proposed nominees for election as a trustee or director is indebted to the Fund, Bell Aliant Holdings Inc. or their subsidiaries.

TRUSTEES', DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The trustees, directors and officers of Bell Aliant and its subsidiaries benefit from a group directors and officers liability policy with limits of US\$200 million purchased through the BCE group insurance program for the protection of all trustees, directors and officers of BCE and subsidiary entities against liability incurred by them in their capacity as trustees, directors and officers. Additional coverage was purchased through the BCE group insurance program during 2007 with limits of US\$185 million which would respond in the event that limits of the underlying program were exhausted. This additional coverage responds to claims where trustees, directors and officers cannot be indemnified by Bell Aliant or its subsidiaries. Coverage has also been arranged through the BCE group insurance program to preserve insurance protection for the current trustees, directors and officers of Bell Aliant and its subsidiaries upon the completion of the proposed BCE privatization transaction.

In 2007, the total premium including premium taxes paid by Bell Aliant and its subsidiaries for US\$200 million coverage in respect of trustees, directors and officers was \$565,000. The total premium including premium taxes paid by Bell Aliant and its subsidiaries for the US\$185 million coverage in respect of trustees, directors and officers was \$265,000.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth below or elsewhere in this information circular and in notes 2 and 23 to the consolidated financial statements of Bell Aliant Holdings LP for the year ended December 31, 2007, which notes are incorporated by reference herein, we are not aware of any material interest of any informed person, or any associate or affiliate of such informed person, in any transaction since the beginning of our most recently completed financial year which has materially affected the Fund or any of its subsidiaries, or in any proposed transaction which would materially affect the Fund or any of its subsidiaries.

PRIVATIZATION OF BCE

As announced on June 30, 2007, our significant stakeholder, BCE, entered into a definitive agreement to be acquired by an investment group led by Teachers Private Capital, the private investment arm of the Ontario Teachers Pension Plan, Providence Equity Partners Inc., Madison Dearborn Partners, LLC, and Merrill Lynch Global Private Equity. We are not a party to the transaction and cannot predict the effect that a change of ownership of BCE may have on our organization.

ADDITIONAL INFORMATION

A copy of this information circular has been sent to each Fund trustee and Bell Aliant Holdings Inc. director, to the applicable regulatory authorities, to each unitholder entitled to notice of the Meeting and to the auditors of the Fund. Upon request to the secretary of Bell Aliant Inc., the general partner of Bell Aliant LP, the administrator of the Fund, the Fund will send to the person or company making such request, at a nominal charge, and in the case of a unitholder, without charge, a copy of:

- The Fund's current annual information form dated March 28, 2008;
- The most recently filed comparative consolidated financial statements of the Fund, together with the management discussion and analysis of such financial results and the auditor's report thereon, and any interim consolidated financial statements of the Fund that have been filed for any period after the end of its most recently completed financial year; and
- This information circular.

Financial information for the Fund's most recently completed fiscal year, being for the year ended December 31, 2007, is provided in the Fund's consolidated financial statements for the period ended December 31, 2007, and management discussion and analysis of such financial results.

Additional information relating to the Fund and Bell Aliant Holdings LP is available on SEDAR at www.sedar.com.

Board, trustee and committee mandates

The board and trustees, as applicable, have established mandates for themselves and for each committee. The board and trustees operate with three standing committees, (i) audit, (ii) governance, and (iii) management resources and compensation. In addition, the board operates with a pension committee. Following are the board, trustee and committee mandates as adopted and approved by the board and trustees for themselves and for each committee of the board and trustees, as applicable.

BOARD OF DIRECTORS' CHARTER

(including Board Chair and Lead Independent Director position descriptions)

Board of Directors

I. Purpose

The Board of Directors ("Board") of Bell Aliant is responsible for the supervision of the management of the business and affairs of Bell Aliant.

In this Charter, references to "Bell Aliant" include Bell Aliant Regional Communications Holdings Inc., Bell Aliant Regional Communications Inc., Bell Aliant Holdings Trust and 6583458 Canada Inc. References to the "Board" include the Board of Directors of Bell Aliant Regional Communications Holdings Inc., Bell Aliant Regional Communications Inc. and 6583458 Canada Inc. and the Trustees of Bell Aliant Holdings Trust, as applicable.

II. Duties and Responsibilities of the Board

In furtherance of its purpose, the Board assumes 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;
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 Board members, including criteria for determining Director independence;
 - 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;
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 to the Board 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;
7. Appointing and removing of Bell Aliant's Secretary;

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

1. Appointing the Chief Executive Officer and all other senior executives of Bell Aliant;
2. Together with the Chief Executive Officer, developing a written position description for the role of the Chief Executive Officer;
3. Developing Bell Aliant's goals and objectives that the Chief Executive Officer is responsible for meeting and reviewing the performance of the Chief Executive Officer 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 or any changes thereto for senior executives and approving, by the external Directors, all forms of compensation for the Chief Executive Officer, as well as:
 - a. monitoring and reviewing, as appropriate, the administration, funding and investment of Bell Aliant's pension plans;
 - 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 Chief Executive Officer, other Officers and senior executives and that the Chief Executive Officer, other Officers and senior executives create a culture of integrity throughout the organization;
7. Providing stewardship in respect of succession planning, including the appointment, training and monitoring of the Chief Executive Officer, 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;
3. Reviewing, approving, and as required, overseeing compliance with Bell Aliant's Disclosure Policy by Directors, senior executives and other employees;
4. Reviewing, approving and overseeing Bell Aliant's disclosure controls and procedures;
5. Reviewing and approving the Code of Business Conduct and Ethics 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 and Ethics 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 unitholders (including terms and review of engagement) and removing of the external auditor;
 3. Appointing (including responsibilities, budget and staffing) and removing of Bell Aliant's internal auditor;
 4. Appointing and removing of Bell Aliant's Chief Financial Officer, which authority the Board is able to exercise only on the recommendation of the Audit Committee;
 5. Delegating (to the extent permitted by law) to the Chief Executive Officer, 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;
 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 Vice-Chair and Lead Independent Director from among Bell Aliant's independent Directors.

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

The Board Chair and Vice-Chair/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 Vice-Chair/Lead Independent Director, as appropriate, also advise the Chief Executive Officer 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;
 2. Work with the Chief Executive Officer and other senior executives to monitor progress on the Business Plan, annual budgets, policy implementation and succession planning;
- B. *Advisor to the Chief Executive Officer*
 1. Provide advice, counsel and mentorship to the Chief Executive Officer and fellow members of the Board;
 2. In consultation with the Chief Executive Officer, 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 Chief Executive Officer, the Secretary's Office and the Chairs of the Committees of the Board, as appropriate, determine the frequency, dates and locations of meetings of the Board, of Committees of the Board, and of the unitholders;
 3. In consultation with the Chief Executive Officer and the Secretary's Office, 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 Chief Executive Officer and the Secretary's Office, the adequacy and timing of materials in support of management personnel's proposals;
 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 Chief Executive Officer in the unlikely event that the Chief Executive Officer is absent and is unable to act and action on the part of the Chief Executive Officer is urgently required to protect the interests of Bell Aliant;
 2. Carry out special assignments or any functions as requested by the Board;
 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 Chief Executive Officer, as required, any comment, question or suggestion of independent Directors;

- 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;
3. Carry out special assignments or any functions as requested by the Board.

FUND TRUSTEES CHARTER

(including Chair of the Trustees and Lead Independent Trustee position descriptions)

I. Purpose

The Bell Aliant Regional Communications Income Fund (the “Fund”) is an unincorporated, open-ended trust governed by the laws of Ontario. The Fund has no business activities; its sole activity is to invest in certain of the Fund entities.

The Trustees of the Fund are primarily responsible to observe the terms of the Fund’s Declaration of Trust.

II. Duties and Responsibilities of the Trustees

In furtherance of this purpose, and without limiting in any way the powers and responsibilities outlined in the Declaration of Trust, the Trustees assume the following duties and responsibilities, some of which are initially reviewed and recommended by the applicable Committee or by the Board of Bell Aliant Regional Communications Holdings Inc. to the Trustees for approval:

1. Monitor and protect the Fund’s status as a “mutual fund trust” for purposes of the Income Tax Act, including oversight of the levels of non-Canadian ownership in the Fund;
2. Effect payment of distributions to unitholders;
3. Convene and conduct meetings of the unitholders as required;
4. Review and approve, as required, the Fund’s financial statements, related financial information and continuous disclosure materials, and ensure that communications to the investment community, the media and the general public by the Fund are timely, factual, accurate, complete and broadly disseminated, and where necessary, filed with the Fund’s regulators, all in accordance with applicable legal and regulatory requirements;
5. Delegate (to the extent permitted by law) to the Chief Executive Officer and senior executives appropriate powers to ensure compliance with the Declaration of Trust and all applicable legal and regulatory requirements, including through the Administration Agreement, while maintaining appropriate oversight over such delegated matters;
6. Evaluate and review on an annual basis, the effectiveness and contribution of the Trustees, the Chair of the Trustees and the Lead Independent Trustee; and
7. Review and discuss on an annual basis, the adequacy of the Trustees’ charter.

III. Chair of the Trustees and Lead Independent Trustee

A. Appointment

The Trustees shall appoint a Chair from among the Fund’s Trustees.

If the Chair of the Trustees is not independent, the Trustees shall appoint a Vice-Chair and Lead Independent Trustee from among the Fund’s independent Trustees.

B. Duties and Responsibilities of the Chair of the Trustees and Lead Independent Trustee

The Chair and Vice-Chair/Lead Independent Trustee lead the Trustees in all aspects of their work and are responsible to effectively manage the affairs of the Trustees and ensure that meetings of the Trustees are properly organized and function efficiently.

More specifically, the **Chair of the Trustees** shall:

1. Provide leadership to enable the Trustees to act effectively in carrying out their duties and responsibilities as described in the Fund Declaration of Trust and as otherwise may be appropriate;
2. Chair meetings of the Trustees;
3. Chair meetings of the unitholders;
4. In consultation with the Chief Executive Officer and the Secretary’s Office, determine the frequency, dates and locations of meetings of the Trustees and of the unitholders;
5. In consultation with the Chief Executive Officer and the Secretary’s Office, review the meeting agendas to ensure all required business is brought before the Trustees to enable them to efficiently carry out their duties and responsibilities;
6. Ensure that all items requiring Trustee approval are appropriately tabled;
7. Ensure the proper flow of information to the Trustees and review, with the Chief Executive Officer and the Secretary’s Office, the adequacy and timing of materials in support of management personnel’s proposals;
8. Review and assess the Trustees’ meeting attendance records and the effectiveness and performance of the Trustees; and
9. Carry out special assignments or any functions as requested by the Board or Trustees.

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

1. Ensure the Trustees have the opportunity, as needed, to meet separately without non-independent trustees and management personnel present and to this effect:
 - a. chair such meetings;
 - b. thereafter, relay to the Chair of the Trustees and Chief Executive Officer, as required, any comment, question or suggestion of independent trustees;
 - c. if, at the request of independent trustees, additional meetings are required, the Lead Independent Trustee 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 Trustees at any meeting where the Chair of the Trustees is absent; and
3. Carry out special assignments or any functions as requested by the Trustees.

IV. Procedures for meetings

Meetings of the Trustees shall be governed by the terms of the Fund's Declaration of Trust. The Trustees shall fix their own procedure at meetings and for the calling of meetings, all in compliance with the Declaration of Trust.

V. Secretary

Unless otherwise determined by resolution of the Trustees, the Secretary of Bell Aliant Regional Communications Holdings Inc. or his/her delegate shall be the Secretary of the Trustees.

VI. Records

The Trustees shall keep such records as are necessary to ensure compliance with the Declaration of Trust and all legal and regulatory requirements.

VII. Outside advisors

The Trustees shall have the authority to engage outside counsel and other outside advisors as deemed appropriate to assist the Trustees in the performance of their functions. The Fund shall provide appropriate funding for such advisors as determined by the Trustees.

AUDIT COMMITTEE CHARTER

I. Purpose

The purpose of the Audit Committee is to assist the Board of Directors and Trustees 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 responsibility for internal control and risk management;
- F. the administration, funding and investment of Bell Aliant's pension plans ("Plan") and fund ("Fund"); and
- G. Bell Aliant's environmental risks.

II. Duties and Responsibilities

The Audit Committee shall perform the functions customarily performed by audit committees and any other functions assigned by the Board of Directors and Trustees. The Audit Committee shall also serve as the Audit Committee for purposes of the Fund, as contemplated under Companion Policy 52-110CP to *Multilateral Instrument 52-110 Audit Committees* and as outlined in the Securityholders' Agreement.

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;
 - 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, information).
2. Meet to review and discuss with management and the external auditor, report and, where appropriate, provide recommendations to the Board of Directors and Trustees, as applicable, on the following prior to its public disclosure:
 - a. the annual and interim consolidated financial statements, Bell Aliant's disclosure under "Management 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;
 - In addition to the role of the Audit Committee to make recommendations to the Board of Directors and Trustees, as applicable, 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 under "Management Discussion and Analysis" for interim period and interim earnings news releases and earnings guidance, may also be approved on behalf of the Board of Directors and Trustees, as applicable, by the Audit Committee, provided that such approval is subsequently reported to the Board of Directors and Trustees, as applicable, at its next meeting;
 - 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.

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 appointment, compensation, retention and oversight of the work of the external auditor and any other auditor preparing or issuing an audit report or performing other audit services 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 of Directors and Trustees, as applicable, on the appointment, terms and review of engagement, removal, independence and proposed fees 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 and any other auditor preparing or issuing an audit report or performing other audit services 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 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 permitted non-audit services, which shall include approval in advance by the Audit Committee of all audit/review and permitted non-audit services to be provided by the external auditor to Bell Aliant and any consolidated subsidiary.
 4. Delegate, if deemed appropriate, authority to one or more members of the Audit Committee to grant pre-approvals of audit/review/attest 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 of Directors and Trustees, as applicable, 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;
 - 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.
 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 of Directors and Trustees, as applicable, on the following:
 - a. the appointment and mandate of internal audit, including the responsibilities, budget and staffing of Bell Aliant's internal audit;
 - b. discuss with the head of internal audit 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;
 - c. obtain periodic reports from the head of internal audit 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 of Directors and Trustees, as applicable, 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 of Directors and Trustees, as applicable, and management.
 2. Review and discuss with the Chief Executive Officer and Chief Financial Officer 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 of Directors and Trustees, as applicable, on Bell Aliant's disclosure controls and procedures.

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.
 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 of Directors and Trustees, as applicable, 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 of Directors and Trustees, as applicable, on Bell Aliant's risk management and insurance program.
 3. Review, monitor, report and, where appropriate, provide recommendations to the Board of Directors and Trustees, as applicable, 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 of Directors and Trustees, as applicable, on Bell Aliant's environmental policy, and environmental management systems.
 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 Directors and Trustees, as applicable, 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 of Directors and Trustees, as applicable, on the adequacy of Bell Aliant's process for complying with laws and regulations.
 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 Chief Financial Officer.

III. Evaluation of the Audit Committee and Report to Board of Directors and Trustees

- A. The Audit Committee shall evaluate and review with the Governance Committee of the Board of Directors and Trustees, as applicable, 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 of Directors and Trustees, as applicable, on an annual basis, the adequacy of the Audit Committee charter.
- C. The Audit Committee shall report to the Board of Directors and Trustees, and applicable, 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 of Directors and Trustees, as applicable.

VI. Audit Committee Chair

The Chair of the Audit Committee shall be appointed by the Board of Directors and Trustees, as applicable. 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 and Trustee Chairs, as applicable, the Lead Independent Director and the Chief Executive Officer, 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 Chief Executive Officer, the Secretary's Office, the Board and Trustee Chairs, as applicable, and the Lead Independent Director, determine the frequency, dates and locations of meetings of the Audit Committee;
- E. In consultation with the Chief Executive Officer, the Chief Financial Officer, the Secretary's Office and, as required, other senior executives, review the 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 Chief Executive Officer, the Chief Financial Officer, the Secretary's Office and, as required, other senior executives, the adequacy and timing of materials in support of management's proposals;

- H. Report to the Board of Directors and Trustees, as applicable, on the matters reviewed by, and on any decisions or recommendations of, the Audit Committee at the next meeting of the Board of Directors and Trustees, as applicable, following any meeting of the Audit Committee; and
- I. Carry out any special assignments or any functions as requested by the Board of Directors or Trustees.

VII. Term

The members of the Audit Committee shall be appointed or changed by resolution of the Board of Directors and Trustees, as applicable, to hold office from the time of their appointment until the next annual general meeting of the unitholders 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.

IX. Quorum and voting

Unless otherwise determined from time to time by resolution of the Board of Directors, 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 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 of Directors and Trustees, as applicable.

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 of Directors and Trustees, as applicable, as appropriate.

GOVERNANCE COMMITTEE CHARTER

I. Purpose

The purpose of the Governance Committee is to assist the Board of Directors and Trustees, as applicable, in:

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

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 of Directors and Trustees, as applicable. In particular, the Governance Committee shall have the following duties and responsibilities:

A. Governance

- 1. Report to the Board of Directors and Trustees, as applicable, annually on matters of governance, including standards of performance for Directors, the size of the Board, the structure, charter and composition of Board and Trustee Committees and Bell Aliant's recommendations regarding unitholder proposals received, as applicable.
- 2. Develop and recommend to the Board of Directors a Board of Directors charter, and to the Trustees, a Fund Trustee 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 of Directors and Trustees, as applicable, a Governance Manual that includes policies regarding the following:
 - a. General responsibilities and functions of the Board and Trustees and its members;
 - b. The organization and responsibilities of Board and Trustee committees, including Committee Charters; and
 - c. The operations and procedures for Board and Trustee meetings.

B. Directors and Trustees

- 1. Identify, consider and recommend for approval by the Board of Directors and Trustees, as applicable, candidates qualified to become new Directors and Trustees, as applicable, and the nominees for election and/or appointment at the next annual meeting of unitholders.
- 2. Develop and recommend to the Board of Directors and Trustees, as applicable, appropriate qualifications/criteria for the selection of Board and Trustee members, including criteria for determining director independence.

3. Conduct an annual review of the Directors' and Trustees' remuneration for Board and Committee service in relation to current norms, and recommend any change for Board of Directors' and Trustees' approval, as applicable.
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 of Directors and Trustees, as applicable.

C. Policies

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

III. Evaluation of the Board of Directors and Trustees, as applicable, the Governance Committee and other Committees and Report to the Board of Directors

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 of Directors, Fund Trustees, their Chairs and the Lead Independent Director; (ii) the Committees of the Board of Directors and their respective Chairs, and (iii) themselves as a member of the Board of Directors; and review with the Board of Directors and Trustees, as applicable, the results of such assessments.
2. Evaluate, review and report to the Board of Directors and Trustees, as applicable, on the performance of the Governance Committee.
3. Review and discuss with each of the Committees of the Board of Directors and Trustees, as applicable, the appropriateness of the charter adopted by each such Committee, and as deemed appropriate recommend changes to the Board of Directors.

B. The Governance Committee shall report to the Board of Directors and Trustees, as applicable, 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.

V. Membership

The Governance Committee shall consist of such number of directors, in no event to be less than three, as the Board of Directors and Trustees, as applicable, 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 of Directors, in accordance with applicable laws, rules and regulations.

VI. Governance Committee Chair

The Chair of the Governance Committee shall be appointed by the Board of Directors and Trustees, as applicable. 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 and Trustee Chairs, as applicable, the Lead Independent Director and the Chief Executive Officer, 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 Chief Executive Officer, the Secretary's Office, the Board and Trustee Chairs, as applicable, and the Lead Independent Director, determine the frequency, dates and locations of meetings of the Governance Committee;
- E. In consultation with the Chief Executive Officer, the Secretary's Office 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 and Trustee Chairs, as applicable, and the Lead Independent Director, that all items requiring the Governance Committee's approval are appropriately tabled;
- G. Ensure the proper flow of information to the Governance Committee and review, with the Chief Executive Officer, the Secretary's Office and, as required, other senior executives, the adequacy and timing of materials in support of management's proposals;
- H. Report to the Board of Directors and Trustees, as applicable, on the matters reviewed by, and on any decisions or recommendations of, the Governance Committee at the next meeting of the Board of Directors or Trustees, as applicable, following any meeting of the Governance Committee; and
- I. Carry out any special assignments or any functions as requested by the Board of Directors or Trustees, as applicable.

VII. Term

The members of the Governance Committee shall be appointed or changed by resolution of the Board of Directors and Trustees, as applicable, to hold office from the time of their appointment until the next annual general meeting of the unitholders 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 of Directors, 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 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 of Directors and Trustees, as applicable.

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 of Directors and Trustees, as appropriate.

MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE CHARTER

I. Purpose

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

- A. The compensation, nomination, evaluation, and succession of senior executives (defined to include Bands 1-4);
- B. Bell Aliant's health and safety policies and practices; and
- C. The appointment of Officers.

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 of Directors and Trustees, as applicable. 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 of Directors the appointment of the Chief Executive Officer (subject to the terms of the Securityholders' Agreement) and all other Officers of Bell Aliant.
2. Review with the Chief Executive Officer 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 of Directors at least once each year.
3. Review and assess annually, in conjunction with the Board of Directors, the performance of the Chief Executive Officer against pre-set specific corporate and individual goals and objectives approved by the Management Resources and Compensation Committee.
4. Review with the Chief Executive Officer the annual performance assessments of all other senior executives, and to report annually to the Board of Directors on these assessments.

B. Compensation

1. Oversee and recommend for approval by the Board of Directors and Trustees, as applicable, Bell Aliant's executive compensation policy and to specifically consider and recommend annually for approval by the external Directors and Trustees, as applicable, all forms of compensation for the Chief Executive Officer.
2. Review and determine the compensation of each senior executive, and recommend individual executive compensation to the Board and Trustees, as applicable, for their consideration and approval.
3. Recommend to the Board and Trustees, as applicable, for consideration, approval, and establishment by the Board and Trustees, as applicable, employee benefit plans to be granted to senior executives and guidelines with respect thereto.
4. Following the approval of and establishment by the Board and Trustees, as applicable, of a long-term incentive plan:
 - a. subject to confirmation by the Board and Trustees, 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 and Trustees, as applicable, 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 Trustees, as applicable; 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 and Trustees, as applicable, of other incentive compensation plans:
 - (i) designate key employees as participants for the purposes of receiving incentive compensation, as needed;

- (ii) suggest and review any amendments which the Committee considers necessary for the incentive compensation plans and make recommendations to the Board and Trustees, as applicable, 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 Trustees, as applicable; and
 - (iii) 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 of Directors and Trustees, as applicable.
 9. Review Bell Aliant's annual report on executive compensation for inclusion in public disclosure documents, in accordance with applicable rules and regulations.
 10. Review with the Chief Executive Officer 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 of Directors on Bell Aliant's health and safety policies and practices.
 2. When appropriate, ensure that Bell Aliant's subsidiaries establish health and safety policies and practices and review and report thereon to the Board of Directors and Trustees, as applicable.

III. Evaluation of the Management Resources and Compensation Committee and Report to Board of Directors and Trustees

- A. The Management Resources and Compensation Committee shall evaluate and review with the Governance Committee of the Board of Directors and Trustees, as applicable, 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 of Directors and Trustees, as applicable, on an annual basis, the appropriateness of the Management Resources and Compensation Committee charter.
- C. The Management Resources and Compensation Committee shall report to the Board of Directors and Trustees, as applicable, 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 of Directors 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 of Directors and Trustees, as applicable, 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 of Directors and Trustees, as applicable. 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 and Trustee Chairs, as applicable, the Lead Independent Director, and the Chief Executive Officer, 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 Chief Executive Officer, the Secretary's Office, the Board and Trustee Chairs, as applicable, and the Lead Independent Director, determine the frequency, dates and locations of meetings of the Management Resources and Compensation Committee;
- E. In consultation with the Chief Executive Officer, the Secretary's Office 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 and Trustee Chairs, as applicable, 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 Chief Executive Officer, the Secretary's Office and, as required, other senior executives, the adequacy and timing of materials in support of management's proposals;

- H. Report to the Board of Directors and Trustees, as applicable, 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 of Directors or Trustees, as applicable, 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 of Directors or Trustees.

VII. Term

The members of the Management Resources and Compensation Committee shall be appointed or changed by resolution of the Board of Directors and Trustees, as applicable, to hold office from the time of their appointment until the next annual general meeting of the unitholders 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 of Directors, 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 of Directors and Trustees, as applicable.

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 of Directors and Trustees as appropriate.

PENSION COMMITTEE CHARTER

I. Purpose

The purpose of the Pension Committee is to assist the Board of Directors 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)").

II. Duties and Responsibilities

The Pension Committee shall perform the functions customarily performed by pension committees and any other functions assigned by the Board of Directors. 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 of Directors thereon.
 - 2. Approve long-term funding objectives in relation to the Plans' liabilities.
 - 3. At least annually, confirm, or approve changes to, the Statements of Investment Policies and Procedures ("SIPP's") 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.
 - 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, Fund 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.
 - 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.
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 of Directors

- A. The Pension Committee shall evaluate and review with the Governance Committee of the Board of Directors, 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 of Directors, on an annual basis, the appropriateness of the Pension Committee charter.
- C. The Pension Committee shall report to the Board of Directors 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 of Directors may from time to time by resolution determine.

VI. Pension Committee Chair

The Chair of the Pension Committee shall be appointed by the Board of Directors. 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, 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 Chief Executive Officer, the Secretary's Office, the Board Chair and the Lead Independent Director, determine the frequency, dates and locations of meetings of the Pension Committee;
- E. In consultation with the Chief Executive Officer, the Secretary's Office 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 Chief Executive Officer, the Secretary's Office and, as required, other senior executives, the adequacy and timing of materials in support of management's proposals;
- H. Report to the Board of Directors on the matters reviewed by, and on any decisions or recommendations of, the Pension Committee at the next meeting of the Board of Directors following any meeting of the Pension Committee; and
- I. Carry out any special assignments or any functions as requested by the Board of Directors.

VII. Term

The members of the Pension Committee shall be appointed or changed by resolution of the Board of Directors to hold office from the time of their appointment until the next annual general meeting of the unitholders 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 of Directors, two (2) 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 of Directors, the 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 of Directors.

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 of Directors as appropriate.

CEO POSITION DESCRIPTION

The Chief Executive Officer (“CEO”) of Bell Aliant Regional Communications Holdings 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 unitholder 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 rigor 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.
 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.
 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.
 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.
 2. Work in close collaboration with the Board and Trustee Chairs and Lead Independent Director and Trustee to determine the scheduling of, and agendas for, meetings of the Board, Trustees and Committees so as to ensure that Directors and Trustees 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 and Trustees.
- 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.
 2. Serve as Bell Aliant’s chief spokesperson to its principal stakeholders including its unitholders, 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, ensure appropriate and timely disclosure of material information.
 2. Together with the Chief Financial Officer:
 - 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.

Schedule “A”

RESOLUTION APPROVING AN AMENDMENT TO THE BELL ALIANT DEFERRED UNIT PLAN TO INCREASE THE NUMBER OF AUTHORIZED UNITS OF THE FUND RESERVED UNDER THAT PLAN

IT IS RESOLVED THAT:

1. The amendment of the Bell Aliant Deferred Unit Plan to provide for an increase of the total number of units of the Fund which are reserved for issuance under such plan by 2,400,000 units for a maximum of 3,600,000 units is hereby approved; and

Any one director, trustee or officer of the Fund or Bell Aliant LP is authorized to do all such acts and things and to execute such other documents that may be necessary to give effect to this resolution.

Annual and special meeting

Wednesday, June 18, 2008, at 10:00 a.m. (Atlantic)

The Westin Nova Scotian Hotel

Commonwealth Ballroom

1181 Hollis Street

Halifax, Nova Scotia

Bell Aliant

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