



Code of Business Conduct

August 2009

A Message from the President and Chief Executive Officer

Our Bell Aliant Code of Business Conduct provides important information to help guide you as you serve our customers, communities and unitholders every day.

As you read through these guidelines keep in mind that the manner in which we interact with one another is as important as the results we achieve every day. This is why we should all strive to conduct ourselves in an exemplary manner. Your individual efforts will help drive our collective success as an organization.

Thank you for your attention to this important matter.

Karen Sheriff
President and CEO, Bell Aliant

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1. Introduction

Good governance practices are ensured when all employees follow the same fundamental values and standards. Ethical behaviour is a personal responsibility we all share. This policy provides the guidelines for ethical behaviour based on values, applicable laws and regulations. They apply to all employees, officers and directors of Bell Aliant and its subsidiary companies.

The policy reinforces Bell Aliant's commitment to the highest levels of customer service and a working environment in which performance is recognized, people are respected and sensitivity to the needs of the communities we serve is demonstrated.

To demonstrate our commitment to, and support of, these values and standards, all management employees will be asked to annually acknowledge that they have reviewed the *Code of Business Conduct* as part of the performance management process.

If you have questions or need more information after reading this policy, please discuss with your manager or send your questions to ethics@bell.aliant.ca.

2. Personal Integrity

Integrity means having sound ethical principles and living by them, whether someone is watching or not. It may mean standing up for those principles when directly challenged by peers or those in authority, or when self-interest tempts you to rationalize them away. It also means being accountable for our behavior and supporting the shared goal of upholding the values, principles and standards upon which Bell Aliant's reputation rests.

Integrity involves thinking through the possible impact of our decisions on all interested parties - customers, employees, unions, business partners, suppliers, investors, government and the communities in which we live and work.

No one can force you to commit an illegal or unethical act that may damage your reputation or that of Bell Aliant. You have a responsibility to report to management illegal acts or violations of Bell Aliant rules, policies or this Code. Turning a blind eye to any wrongdoing is in itself unethical.

Individual responsibility does not mean you are on your own when facing an ethical issue. Don't be reluctant to ask questions, raise issues or report violations.

3. Reporting Ethical Concerns

Any breach of ethics is a serious matter. Bell Aliant has developed a *Complaint Procedure Policy* for dealing with concerns regarding ethical matters. As a general guideline, you should first discuss the specific situation with your immediate manager. If this is inappropriate or does not provide the necessary confidentiality, you can contact the Employee Help Line at www.clearviewconnects.com or by calling 1-866-794-6384. This Helpline is available 24/7 and will facilitate the resolution of issues on a completely confidential and anonymous basis.

You may also get advice internally from the Ethics group by email at ethics@bell.aliant.ca. All such inquiries are handled on a confidential basis. If the Ethics group is unable to resolve the situation, the matter will be discussed with the Chief Legal Officer.

Any employee reporting in good faith a breach of ethics will be protected from threats, penalties, or any form of retaliation.

Further information see the *Complaint Procedures Policy* located on the corporate intranet under Forms and Policies.

4. Penalties for Violations

Disciplinary action up to and including dismissal may be taken should an employee or manager:

- violate a Bell Aliant policy or ask others to violate a Bell Aliant policy
- deliberately fail to promptly report a violation or withhold relevant information concerning a violation
- fail to cooperate in the investigation of a known or suspected violation

- take action against an employee who reports a violation or breach of the Code of Business Conduct or other policy.

5. Responsibilities of Managers

All employees are expected to perform their jobs with integrity and in a straightforward, honest and fair manner. However, managers have an enhanced role as they are responsible for:

- setting an example in complying with the Code of Business Conduct
- ensuring that all employees understand and comply with the Code of Business Conduct
- fostering an environment that encourages open communication and ethical behaviour
- taking prompt and decisive disciplinary action when the Code of Business Conduct or other policies have been violated.

6. Conflict of Interest

A conflict of interest may arise when employees allow, or appear to allow, personal interests or relationships to impair their judgment or ability to make decisions with integrity and honesty.

As employees, our business loyalty rests in placing the interests of Bell Aliant, its customers and unitholders, before our personal interests. We must not use our position to influence or bypass Bell Aliant procedures for personal gain nor for the benefit of our family, friends or colleagues.

All situations that may result in a potential conflict of interest must be disclosed to your manager or through the Employee Help Line at www.clearviewconnects.com. Situations will be assessed on a case-by-case basis.

Often our work and personal lives intersect. A conflict of interest could arise if:

- you are considering hiring a near relative, friend or co-habitant
- you transact business on behalf of Bell Aliant with a near relative, friend or co-habitant
- you, a near relative or co-habitant works for, has a financial interest in, or is a major shareholder of, a supplier or competitor
- your outside interests materially affect your time and energies as to prevent devotion of your full abilities to the performance of your duties
- your ability to influence a transaction may give rise to a personal gain
- you use non-public information obtained as a result of Bell Aliant business, to benefit or further the interest of yourself or others.

6.1 Outside Demands

We all have flexibility as to how we spend our non-working hours. However, employees must ensure that any outside employment or other activities do not conflict, or appear to conflict, with Bell Aliant's business or with the ability to fulfill your duties as employees.

To avoid a conflict of interest, or even the appearance of such a conflict, you should discuss any planned outside business activities with your manager. As a general guideline, you may not:

- use Bell Aliant equipment, time, materials, or facilities in paid or unpaid work for other organizations unless specifically approved by a Vice President
- be employed by a business that competes with Bell Aliant
- participate in an outside interest that demands time and energy such that it interferes with your work at Bell Aliant.

7. A Work Environment Based on Trust and Mutual Respect

Trust and respect are the most basic elements of ethical behaviour. We encourage open and honest communication and are committed to ensuring that all employees can work without the fear of intimidation, discrimination, harassment or violence.

7.1 Diversity and Equity

We value our differences and work to create an inclusive work environment where all employees can contribute to their fullest potential. By becoming the supplier of choice to a diverse customer base and the employer of choice to our current and future employees, we enhance Bell Aliant's ability to succeed.

We are committed to achieving equity in employment and an environment that treats everyone with respect and dignity.

Employment Equity is an important part of our diversity strategy and legislated programs focus on four designated groups: women, visible minorities, aboriginal peoples and persons with disabilities. Employment Equity ensures that qualified members of these designated groups are given equal employment opportunities.

7.2 Discrimination and Harassment

Bell Aliant is committed to providing a workplace free of any type of harassment and unlawful discrimination where all employees can work safely.

Harassment is any unwelcome behavior that causes offense to another. It can include comments or displays that demean or cause personal humiliation or embarrassment. Examples include acts of intimidation or threat; unwanted physical contact; or displaying of pornographic or other offensive material.

Discrimination can be directed against an individual or group (e.g. employees, customers, suppliers) and includes discrimination based on race, ethnic origin, sex, colour, religion, age,

sexual orientation, marital status, family status, physical or mental disability, or conviction for which a pardon has been granted.

An employee who believes that he or she is being unlawfully discriminated against or harassed should tell the person to stop immediately. If the behaviour or action persists, the employee should bring his or her concern to the attention of his or her manager or to a more senior manager in the organization. Unionized employees may elect to contact their union representative. Management employees may wish to consult their Human Resources Consultant.

7.3 Workplace Violence

Everyone has a right to work in an environment free from violence and threats. Bell Aliant prohibits all acts of physical, verbal or written aggression or violence. This applies whether the aggression is committed by one employee against another, or against anyone else an employee comes in contact with when carrying out his or her duties.

It is up to each employee to report any act, or threatened act, of violence to a manager or to Corporate Security. In situations of imminent danger call the police and Corporate Security. If the danger seems less imminent, take note of the facts:

- Who was involved?
- Where and when did the incident take place?
- Were there any witnesses?

The incident should then be reported to Corporate Security.

7.4 Reasonable Accommodation

Our society should be structured and designed for inclusiveness. Bell Aliant commits to take steps to ensure that all employees can work to the best of their ability by offering alternative arrangements to an individual or group that may have been disadvantaged as a result of an existing rule, practice or physical barrier.

An accommodation is considered reasonable if it does not result in undue hardship, such as: significant impact on business operations or risk to the health and safety of the employee concerned or other employees. Examples of accommodation include physical or technical alterations to employee workspace, or modification of work duties or conditions.

7.5 Occupational Health and Safety

Health, safety and wellness are corporate priorities. Bell Aliant will ensure that effective policies are in place to protect the health, safety and well-being of employees, our business partners and the public.

Where employees are concerned, we expect each person to take personal responsibility for their health, safety and wellness by working safely at all times. Bell Aliant will:

- provide a healthy and safe work environment
- inform and support employees through healthy lifestyle choices
- meet or exceed all health and safety legal requirements

- provide proper supervision, training and equipment.

7.6 Alcohol and Drug Use

It is not permissible to consume or be under the influence of alcohol or illegal drugs in the workplace.

Employees have the responsibility to determine any potential adverse effects when using prescribed or over-the-counter medications with the assistance of their doctor or pharmacist. Intentional misuse of prescribed or over-the-counter medications is strictly prohibited.

The sale, possession, manufacture or distribution of alcohol and illicit drugs or non-prescribed medications for which a prescription is legally required, on Bell Aliant work premises or other work locations, is strictly prohibited.

8. Gifts and Entertainment

Gifts and Entertainment should only be given or received with the intention of developing or fostering a business relationship with customers or suppliers. We do not solicit, accept or give gifts, gratuities, favours or unusual hospitality from or to suppliers or customers, which may compromise, or appear to compromise, our ability to make fair, objective, business decisions. There should be no expectation, presumption or obligation of reciprocation. These guidelines do not change during traditional gift giving season.

Gifts are unsolicited, occasional articles of nominal value (actual or perceived) and should not compromise objective business decisions.

Examples of entertainment would include tickets or invitations to social, cultural or sporting events that are clearly intended to facilitate business objectives. They should be modest, infrequent and on a reciprocal basis to the extent possible. The business associate providing the entertainment MUST be in attendance. As a general guideline, business entertainment in the form of meals is acceptable as long as it is modest, infrequent and as far as possible, on a reciprocal basis. Specific cases should be discussed with your manager.

You may sponsor events/activities for customers or potential customers where the purpose is to strengthen business relationships. However it is your responsibility to know, and be sensitive to, the customer's own Code of Conduct on these issues. Solicitation of modest gifts or prizes for Bell Aliant sponsored events which provide clear benefits to the sponsor and/or charitable organization is permitted upon approval by your manager.

Supplier-funded incentive programs, often offered to sales employees by suppliers seeking to sell their products, may only be arranged through an authorized program administrator who does not work with the eligible employees.

Consider these points when offers of Gifts or Entertainment are extended:

- Is Bell Aliant involved in a major procurement activity with the supplier or customer?
- Is the Gift or Entertainment considered appropriate given the employee's position?
- Would declining the Gift or Entertainment damage the business relationship?

- Can the Gift or Entertainment be applied to benefit all team members?
- Would Bell Aliant offer a similar Gift or Entertainment?

Anything other than nominal gifts or entertainment requires Vice President approval.

9. Political Contributions

Political Contributions refer to any payment or donation to a recipient involved in federal, provincial, territorial or municipal political process, such as a political party, an election, a riding association or an elected official.

You cannot make political contributions on behalf of Bell Aliant without the express prior consent in writing of the Chief Legal Officer.

10. Insider Trading

It is illegal to buy, sell or trade securities of Bell Aliant, its subsidiaries or associated companies (including BCE Inc.) or any other company that is a public company, with knowledge of undisclosed material information obtained in the course of your employment.

Undisclosed material information is information that if disclosed, could affect the market price of a company's security or is likely to be considered important by investors in determining whether to buy, sell or trade securities. Examples of material information are listed in Bell Aliant's *Insider Trading Policy*.

Even when material information is obtained by accident, such as by overhearing a conversation, you are prohibited by law from trading because the information is material and non-public. In addition, you cannot suggest to your spouse, near relative or friend that they trade while in possession of such material undisclosed information.

It is also illegal to *tip* others concerning such information. In particular, you should be careful to avoid inadvertently disclosing confidential information to spouses, family members and others who live in your households, or to business partners, friends and others.

There are severe penalties provided by law that may be imposed against you personally, as a result of unlawful trading and tipping. Trading or tipping by the person to whom you disclosed the information is also illegal, regardless of their relationship to you.

For more information please see the *Insider Trading Policy* on the corporate intranet under Forms and Policies. That document provides guidance on who is considered to be an *Insider*, and the rules around trading in Bell Aliant's securities, including the recommended times for trading.

11. Public Disclosure of Information

Bell Aliant is required by law to ensure prompt and accurate public disclosure of all material information about its business. We must also ensure that material information which has not yet been disclosed is kept confidential and that any form of selective disclosure is avoided.

If you are not an authorized spokesperson, you must not respond under any circumstances (including on an *off the record* basis) to inquiries from, or voluntarily provide information to, the investment community or the media, unless specifically asked to do so by an authorized spokesperson. The authorized spokespersons for Bell Aliant include:

- President and Chief Executive Officer
- Chief Financial Officer
- Vice-President and Treasurer
- Vice-President Communications and Public Affairs
- Vice-President Investor Relations and Associate Treasurer

For more details see the Bell Aliant *Disclosure Policy* located on the corporate intranet under Forms and Policies.

12. Sensitive Information

Bell Aliant collects information on an ongoing basis for use in service delivery, administration, human resources management, and discharging business agreements. Unauthorized disclosure, destruction, removal or modification of this information can harm both customer and Bell Aliant interests. It may also leave Bell Aliant exposed to litigation.

The more valuable or private the information, the greater the potential harm. The degree of harm or damage determines the degree of sensitivity of the information. Harm or damage to a customer or employee can be in the form of financial loss or loss of privacy. In the case of Bell Aliant, it could mean loss of reputation.

Our information categories are intended to identify the level of information sensitivity so that those who access such information understand the rigour and safeguards to be applied. There are four categories: **Public, Internal, Restricted and Private**.

For further information refer to the *Corporate Security Policy* located on the corporate intranet under Forms and Policies.

13. Confidentiality

13.1 Customer Privacy

Bell Aliant has long been committed to maintaining the accuracy, confidentiality, security and privacy of customer information. Even seemingly mundane information might be of use to competitors, or harmful to our customers, if disclosed. Unintentional disclosure can lead to identity theft or financial gain by third parties.

All customer information is confidential and cannot be divulged or used except for business purposes. We may only use this information for the purposes for which it was collected and that the customer would reasonably expect.

Publicly available information, such as a public directory listing of your name, address, telephone number, title and electronic address, is not considered to be personal information.

Where the customer is an identifiable individual, we are legally required to comply with the *Personal Information Protection and Electronic Documents Act*, which requires identification of the purpose for which personal information is collected, and the consent of the customer before collecting, using or disclosing this information.

Maintaining customer privacy is also crucial when dealing with contracts, proposals and quotations. Employees must be vigilant to not share customer information - such as business plans or information of a sensitive nature - with other employees servicing a similar market segment.

13.2 Privacy of Communications

The unlawful interception of a private communication is prohibited under the Criminal Code.

The content of a customer's transmissions (including telephone and email) may not be monitored except to ensure call quality and only with the customer's knowledge. The content, nature and existence of telephone calls and data transmissions may not be released to third parties except as explicitly authorized by law.

13.3 Employee Privacy

Bell Aliant protects the personal information of its employees. Employee personal information refers to those records such as the personnel files and other documents collected and used to provide services or support such as pay or benefits information.

All personal information is protected by safeguards appropriate to the sensitivity of the information and may only be used for the identified purposes. All employees holding personal employee information should handle it in accordance with privacy principles. In addition to applying normal safeguards (i.e. locked cabinets and desks), employees should avoid discussing personal employee information in public areas.

We reserve the right to monitor or search any and all Bell Aliant property at any time, where it is determined, on reasonable grounds, that this is required. Reasonable grounds include the evaluation of service quality, safety and protection of employees; or suspected fraud, theft, or undeclared conflict of interest situations.

If you have further questions or concerns about a privacy matter, please refer to our *Privacy Policy* and the *Code of Fair Information Practices* or contact Bell Aliant's Privacy Manager at privacy@bell.aliant.ca.

14. Dealing with Customers, Competitors and Suppliers

14.1 Customer Relations

We will show the utmost respect for our customers' property and interact with our customers honestly and courteously. Employees should establish and maintain effective relationships with customers; gain their respect and trust; and always act with the customer in mind.

Employees should be honest, courteous, and respectful when dealing with customers and their property whether discussing their accounts or visiting their home or place of business.

Customers expect us to provide quality products and services, and be truthful when discussing Bell Aliant's advantages and benefits.

14.2 Competitors

Bell Aliant believes in fair and open competition and is committed to treating competitors with respect. Behaving competitively means that we comply with laws governing competitive business practices and employees portray our competitors fairly and accurately by:

- exercising care when commenting on competitor's financial situation, business practices, or network reliability
- respecting a customer who has decided to purchase a competitor's products or services
- not stating as fact an understanding of a competitor's price information as that information may be out of date and incomplete.

We do not engage in industrial espionage; buy proprietary information; or induce employees or former employees of competitors to disclose proprietary or confidential information. We abide by all competition laws.

When we provide network access, facilities or services to competitors, or if former employees of competitors are hired by Bell Aliant, information obtained will not be used to gain an undue competitive advantage.

14.3 Suppliers

Like many businesses, we purchase goods and services from thousands of suppliers, many of whom are customers. Taking advantage of business relationships with customers should not be done at the expense of price, quality or service.

We may lose the opportunity to save money on our purchases if suppliers are chosen solely because they are customers. This may lead to accusations of anti-competitive behaviour.

Under certain circumstances we may, for strategic marketing reasons, develop and contract services exclusively with a given supplier. The Legal and Procurement Departments must be consulted before such arrangements are established.

15. Protecting Company Assets

Employees have a responsibility to be accountable for and safeguard Bell Aliant assets from loss, damage, theft, vandalism, sabotage or unauthorized use.

Access to and use of these assets must be authorized, adequately controlled and based on business needs. Assets can include: offices, office equipment, computers, vehicles, tools, buildings, people, funds, communication networks, information systems, and intellectual property.

Bell Aliant assets are not to be used for personal purposes. Everyone must take appropriate measures to prevent losses due to wilful action by others which may result in personal injury, property damage, theft, loss or abuse.

15.1 Credit Cards

Corporate credit cards are not to be used for personal cash withdrawals or purchases and P-Cards are to be used only for business purposes. All expense vouchers and invoices are to be accurate and properly authorized.

For more information regarding the use of corporate credit cards, refer to the *Travel, Meals & Entertainment Policy*.

15.2 Business Records

Accurate and reliable records are crucial to our ability to meet our legal, financial and regulatory obligations. They form the basis upon which key decisions about Bell Aliant are made by our executives, financial analysts, unitholders, investors, and regulators.

In addition to complete and accurate financial records, we must also adhere to accounting policies and standards as well as the rules of applicable regulatory authorities. Appropriately designed, and effectively operating, internal controls are also required.

15.3 Contracts and Agreements

Contracts and agreements represent some of the greatest exposures faced by Bell Aliant. If you are in a position to develop or sign contracts you must take necessary steps to protect Bell Aliant's interests by ensuring that the contract is reviewed by appropriate departments such as: Legal, Regulatory, Taxation and Risk Management, as required.

Standard contracts must not be modified without prior Legal Department approval.

15.4 IS/IT and Network Security

Every effort is taken to protect Bell Aliant's computer systems and associated software from various threats to their security, such as accidental or deliberate destruction of data and equipment, interruption of service, disclosure of confidential or private information, theft and corruption.

Bell Aliant's electronic communications systems generally must be used only for business activities. Incidental personal use is permissible so long as:

- it does not consume more than a trivial amount of systems resources
- it does not interfere with worker productivity
- it does not preempt any business activity.

Copying software onto your computer may be a violation of the software company's licensing agreement as well as copyright laws, and may place Bell Aliant at risk of prosecution for copyright infringement.

For more information, refer to the *Electronic Communications Policy* on the corporate intranet under Forms and Policies.

16. Intellectual Property

Intellectual property such as patents, copyrights, trade-marks, domain names, inventions, integrated circuit topographies, industrial designs and trade secrets are strategic assets of Bell Aliant. Intellectual property rights also reside in and protect works like know-how, business methods and processes, computer software, computer operating systems, inventions, graphics, photographs and audiovisual works. This information must not be disclosed to, or used by, third parties without first ensuring that appropriate legal safeguards are in place. Failure to do so could result in Bell Aliant losing its right in such intellectual property.

Trade-marks, including the Bell Aliant logo and its various trade names, are among Bell Aliant's most valuable assets. Every employee has a responsibility to preserve, protect and enhance the value of these assets. You should immediately report any infringement or misuse of such trade-marks or trade names to Bell Aliant Brand Central at brand@bell.aliant.ca.

Employees must fully disclose to their manager all intellectual property that they conceive or make during or after working hours in the course of employment with Bell Aliant or which is within the scope of Bell Aliant's business interests. Employees are prohibited from applying for patents or other intellectual property registrations in regards to intellectual property that belongs to Bell Aliant. Bell Aliant's intellectual property cannot be used for personal purposes or gain. Upon termination of employment, contract, or reassignment, all physical and intellectual property of Bell Aliant or entrusted to Bell Aliant must be returned.

17. Protecting the Environment

Bell Aliant believes that environmental protection is an integral part of doing business and is committed to minimizing the impact that its activities, products or services may have on the environment.

It is every employee's responsibility to make the environment an integral part of their daily decisions and actions. This approach allows us to contribute to a sustainable future for our communities, customers and employees.

For more information refer to Bell Aliant's *Environmental Policy* on the corporate intranet under Forms and Policies.

17.1 Reporting Environmental Incidents

Bell Aliant's primary concern in the case of an environmental incident is to ensure that the situation is handled according to all legal and regulatory requirements. Whether it is a small spill or leak, a fire in a hazardous material recovery warehouse or a customer complaint, employees must report all environmental incidents regardless of the type, cause or seriousness.

For Bell Aliant operations in Atlantic Canada the area manager must be immediately notified of all environmental incidents, whether or not they are an emergency. The Atlantic Network Operations Centre (ANOC) should then be notified at **1-888-658-7444**. For inquiries, support, or to raise concerns about environmental issues, contact the Environmental Affairs group at **1-888-925-4268** or environment@bell.aliant.ca.

For Bell Aliant operations in Ontario and Quebec, the Bell Corporate Responsibility and Environment group must be immediately notified of all environmental incidents. An on-duty manager can be reached 24 hours a day through the Enviro-line at **1-877-235-5368**.

18. Record Retention

The Record Retention Policy establishes a framework for the retention, preservation, security, accessibility, storage and destruction of records created in the course of day-to-day operations. The policy provides minimum periods for record retention and destruction schedules. The policy applies to all forms of records irrespective of the preparer, media format or storage location.

All business and operational units are responsible for identifying records and attributing a retention period to such records based on the Record Retention Schedule found in the Record Retention Policy. Records that are not listed in the Record Retention Schedule, or that are not substantially similar to a category of record listed in the Record Retention Schedule, are not subject to a specific retention period and shall be retained according to applicable records management guidelines for a duration that satisfies their legal requirements, operating needs and corporate reporting obligations.

19. Improper Influence on Conduct of Audits

Employees are prohibited from coercing, manipulating, misleading or fraudulently influencing Bell Aliant's internal or external auditors.