Bell Aliant Regional Communications Income Fund

Notice of annual meeting of unitholders and information circular

Annual meeting: Friday, June 5, 2009

Bell Aliant

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Notice of annual meeting of unitholders

YOU ARE INVITED TO OUR ANNUAL MEETING OF UNITHOLDERS

When
Friday, June 5, 2009, 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 Bell Aliant Regional Communications Income Fund (the "Fund") annual meeting of unitholders (the "Meeting") will cover four items of business:

1. Receiving the Fund's consolidated financial statements for the period ended December 31, 2008, together with the report of the auditors;

2. Electing the Fund trustees;

3. Approving the appointment of the Bell Aliant Regional Communications Holdings Inc. directors that are to be appointed by the Fund; and

4. Reappointing the Fund's auditors.

These four 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, 2009.

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 Fund unitholder, 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 Fund trustees,

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, 2009

Note: If you are a new unitholder or a unitholder who did not elect to receive our 2008 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 and return the request form in this package, and your name will be added to our mailing list.

Information circular

This information circular is for the Bell Aliant Regional Communications Income Fund (the "Fund") annual meeting of the unitholders to be held on Friday, June 5, 2009, at 10:00 a.m. Atlantic and any adjournment(s) or postponement(s) thereof (the "Meeting"). As a unitholder on April 30, 2009 (the "Record Date"), you have the right to vote your units on electing the Fund trustees, approving the appointment of the Bell Aliant Regional Communications Holdings Inc. ("Bell Aliant Holdings Inc.") directors that are to be appointed by the Fund, reappointing the Fund's auditors, 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 email at investors@bell.aliant.ca.

In this document, **you**, **your** and **unitholder** refer to Fund unitholders (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, 2009, unless otherwise indicated.

Approval of this information circular
The Fund trustees 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 (the "proxyholder") the authority to vote your units for you at the Meeting in accordance with your instructions. 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 as proxyholders 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 Wednesday, June 3, 2009,** 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(s). 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 or voting instruction 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 (toll free in Canada and the United States)
P.O. Box 7010	Fax	1-866-781-3111 (toll free in Canada and the United States) or
Adelaide Street Postal Station		1-416-368-2502 (outside Canada and the United States)
Toronto, Ontario M5C 2W9	Email	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 the **Completing the proxy form** section 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 the **Completing the proxy form** section 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 two names that are printed on the proxy form and write the name of the person you are appointing as your proxy in the space provided. Complete your voting instructions, date and sign the proxy form, and return it to CIBC Mellon as instructed.
   - Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting.
   - Please see the **Completing the proxy form** section 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.
- You may vote at the Meeting on votes conducted by show of hands or by ballot.

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 from your Nominee that allows you to provide your voting instructions by telephone, on the Internet, by mail or by fax. You should complete, sign and return the voting instruction form or otherwise provide your voting instructions 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 Sates) 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 Wednesday, June 3, 2009**.

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 provided by your Nominee and submitting such instruction form as directed on the form. Your voting instructions must be returned in accordance with the instructions on the form.
- You will be asked to register your attendance at the Meeting.
- You may vote at the Meeting on votes conducted by show of hands or by ballot.

COMPLETING THE PROXY FORM

You can choose to vote "For" or "Withhold" your vote for the items listed on the proxy form. 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 Siim Vanaselja, chair of the Fund board of trustees or Karen Sheriff, president and chief executive officer of Bell Aliant Inc., the general partner of Bell Aliant LP, the administrator of the Fund, to vote or withhold from voting your units for you at the Meeting in accordance with your instructions.

If you return your duly executed proxy form but do not tell us how you want to vote your units, your vote(s) will be cast:

- **FOR electing the Fund trustees who are listed in this information circular;**
- **FOR approving the appointment of the Bell Aliant Holdings Inc. directors who are listed in this information circular; and**
- **FOR reappointing Deloitte & Touche LLP as auditors of the Fund.**

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 two 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 email 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 Wednesday, June 3, 2009**;
- 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 Wednesday, June 3, 2009**;
- 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 Wednesday, June 3, 2009**; 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, 2009, the Record Date. As at April 30, 2009, there were 127,237,500 Fund units outstanding, each carrying the right to one vote at meetings of Fund unitholders. In addition, as at April 30, 2009, there were 100,373,827 special voting units outstanding, each carrying the right to one vote at meetings of Fund unitholders. All of the 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 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 company beneficially owning or exercising control or direction over, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to all voting units of the Fund. As of April 30, 2009, BCE owned, directly or indirectly 44.1% 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 are accompanied by the same number of special voting units of the Fund, and 2,443 Fund units. The Fund trustees, and the directors of Bell Aliant Holdings Inc. and Bell Aliant Inc. and the named executive officers who were employed with Bell Aliant LP as of April 30, 2009, as a group, beneficially owned or controlled 89,683 Fund units as of April 30, 2009.

CIBC Mellon 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 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 is an unincorporated, open-ended trust governed by the laws of the Province of Ontario. The units of the Fund are listed on the Toronto Stock Exchange (the "TSX") under the trading symbol "BA.UN". 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 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.

BCE and Bell Canada have certain governance rights as outlined in a securityholders' agreement (as amended, the "Securityholders' Agreement") with, among others, the Fund, Bell Aliant Inc. and Bell Aliant Holdings Inc. Under 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 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 44.1% 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 are accompanied by the same number of special voting units of the Fund, and 2,443 Fund units.

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 Administration Agreement, Bell Aliant LP provides administrative and support services to the Fund, including, without limitation, those necessary to:

(a) Ensure the Fund's compliance with continuous disclosure obligations under applicable securities legislation;
(b) Provide investor relations services;
(c) 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's Declaration of Trust and applicable laws, including relevant information with respect to financial reporting and income taxes;
(d) 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;
(e) Assist the Fund trustees in calculating and making distributions to unitholders;
(f) Attend to all administrative and other matters arising in connection with any redemption of units;
(g) Seek to ensure compliance with the Fund's limitations on non-resident ownership;
(h) 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 or the Class B exchangeable limited partnership units of Bell Aliant LP 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
(i) 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 also provides 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, 2008, the management services provided by Bell Aliant LP to the Fund under the Administration Agreement cost the Fund a total of $3,980,335. For additional information, please refer to note 8 of the Fund's consolidated financial statements for the period ended December 31, 2008.

What the meeting will cover

Four items will be covered at the Meeting:
(1) Receiving the Fund's consolidated financial statements for the period ended December 31, 2008, together with the report of the auditors;
(2) Electing the Fund trustees;
(3) Approving the appointment of the Bell Aliant Holdings Inc. directors that are to be appointed by the Fund; and
(4) Reappointing the Fund's auditors.

The Meeting may also consider other business that properly comes before the Meeting. As of the date of this information circular, the trustees, directors and officers of Bell Aliant are not aware of any matters, other than those indicated in this information circular, which may be submitted to the Meeting. 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, 2008, and the auditors' report on the statements will be presented to the Meeting. The financial statements are included in our 2008 annual report and you can gain access to them 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 four Fund trustees. The Fund's Declaration of Trust states that the Fund will have a minimum of three 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 Securityholders' Agreement provides that the Bell Aliant Holdings Inc. board of directors shall determine the number of trustees within the range, and shall also nominate the individuals to be proposed for appointment as Fund trustees. The trustees and the board have resolved that there will be four trustees. The Bell Aliant Holdings Inc. directors propose the four nominees named in this information circular. 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).

3. Nominees for appointment by the Fund as directors of Bell Aliant Holdings Inc.
You will also be approving the Fund's appointment of four directors to the Bell Aliant Holdings Inc. board. As of May 1, 2009, the Securityholders' Agreement provides that the Bell Aliant Holdings Inc. board of directors will comprise between 9 and 15 members, with the number of directors within such range to be as determined by the board from time to time. Following the resignation of Charles White on April 29, 2009, the board has resolved that there will be 9 directors, a majority (five) of whom will be appointed by BCE and four 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 Fund trustees and members of the Bell Aliant Holdings Inc. board, as applicable, and are, in the opinion of the Fund trustees and Bell Aliant Holdings Inc. directors, 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 the **About the nominated trustees and directors** section for information on the people who intend to stand for election as Fund trustees or who the Fund proposes to appoint as Bell Aliant Holdings Inc. directors. 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 unable or unwilling to stand for election or approval 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. board 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 trustees or the board, 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 accept 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 therefore. 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 number of trustees or board members.

4. Reappointment of the Fund's auditors

A firm of auditors is to be appointed by a majority of the votes cast by unitholders at the Meeting. 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, and June 18, 2008, 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 resignation or removal. Management does not anticipate 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.

Other matters

Following the conclusion of the formal business 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 Bell Aliant Holdings Inc. board under the Securityholders' Agreement. BCE also has the right to appoint up to a majority of the directors of Bell Aliant Holdings Inc. The remaining Bell Aliant Holdings Inc. directors are appointed by the Fund as shareholder, with the approval of unitholders, under the Securityholders' Agreement and the Fund's Declaration of Trust.

Unitholders will be electing a total of four Fund trustees. Table 1 provides information on the people who intend to stand for election as trustees of the Fund – Edward Reevey, Louis Tanguay, Siim Vanaselja and Victor Young.

You will also be asked to approve the Fund's appointment of the four Bell Aliant Holdings Inc. directors not appointed by BCE. If such approval is given, these individuals will be appointed to the Bell Aliant Holdings Inc. board following the Meeting. Table 2 provides information on the people who the Fund proposes to appoint as Bell Aliant Holdings Inc. directors – Robert Dexter, Edward Reevey, Karen Sheriff and Louis Tanguay.

If elected or appointed, 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 five persons to the Bell Aliant Holdings Inc. board – George Cope, Kevin Crull, Siim Vanaselja, David Wells 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, 2009.

Nominee	Biographical information	Status and committee membership [1,2]	Units [3,4]
 Edward Reevey, FCA • Residence: Rothesay, New Brunswick, Canada • Age: 65 • Director since: 1999 • Trustee since: 2006	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. Mr. Reevey is a director of Stratos Global Corporation (communications; formerly a TSX-listed company). He is also a director of 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. (communications; formerly a TSX-listed company). Mr. Reevey has over 20 years of experience in the telecommunications sector, having also served as a director of The New Brunswick Telephone Company, Limited from 1982 to 1999 and Bruncor Inc. from 1985 to 1999.	**Independent** Audit committee (chair) Pension committee (chair)	37,963
 Louis Tanguay [5] • Residence: Laval-sur-le-Lac, Quebec, Canada • Age: 71 • Director since: 2006 • Trustee since: 2006	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. Tanguay holds a Bachelor's degree in Commerce from Concordia University. Mr. Tanguay serves as a director of the following publicly traded companies: Rona Inc. (retail; TSX) and Saputo Inc. (food; TSX). He is also a director of Aéroports de Montréal. He has also served as a director of the following publicly traded companies in the past five years: SR Telecom Inc. (telecommunications; formerly a TSX-listed company), Medisys Health Group Inc. (health care; formerly a TSX-listed company), Bell Nordiq Group Inc. (telecommunications; formerly a TSX-listed company), Canbras Communications Corp. (communications; formerly a NEX-listed company) and Bell Canada International Inc. (communications; formerly a NEX-listed company). Mr. Tanguay has well over 15 years of experience in the telecommunications sector.	**Independent** Audit committee	23,081
 Siim Vanaselja • Residence: Westmount, Quebec, Canada • Age: 52 • Director since: 2008 • Trustee since: 2008	Mr. Vanaselja is the executive vice-president and chief financial officer of BCE and Bell Canada (since January 2001). Mr. Vanaselja joined BCE in February 1994 and has held a variety of senior positions in the BCE group prior to being appointed chief financial officer. Prior to joining BCE, Mr. Vanaselja was a partner at the accounting firm KPMG. He is a member of the Institute of Chartered Accountants of Ontario and holds a Bachelor (Honours) degree from the Schulich School of Business. Mr. Vanaselja has served as a member of the Conference Board of Canada's National Council of Financial Executives, the Corporate Executive Board's Working Council for Chief Financial Officers and Moody's Council of Chief Financial Officers. He is a director of CTVglobemedia and currently sits on the boards of numerous BCE group companies. Mr. Vanaselja served as a director of Jones Intercable, Cable and Wireless Communications, the National Ballet of Canada and the following publicly traded company within the past five years: CGI Group Inc. (communications; TSX and New York Stock Exchange ("NYSE").	**Not independent** Governance committee Management resources and compensation committee Pension committee	751

Nominee	Biographical information	Status and committee membership [1, 2]	Units [3, 4]
 Victor Young, O.C. • Residence: St. John's, Newfoundland and Labrador, Canada • Age: 63 • Director since: 2002 • Trustee since: 2006	Mr. Young is a corporate director. He 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. Mr. Young is a director of the following public companies: Imperial Oil Limited (energy; TSX and American Stock Exchange), Royal Bank of Canada (banking; TSX and NYSE), and BCE (communications; TSX and 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. (communications; formerly a TSX-listed company). Mr. Young has over 13 years of experience in the telecommunications sector, having served as a director of BCE since 1995, Aliant Inc. since 2002 and later the Bell Aliant boards.	**Independent** [6] Governance committee Management resources and compensation committee	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, 2009.

Nominee	Biographical information	Status and committee membership [1, 2]	Units [3, 4]
 Robert Dexter, QC • Residence: Halifax, Nova Scotia, Canada • Age: 57 • Director since: 1999	Mr. Dexter is chairman and chief executive officer of Maritime Travel Inc. and is also a partner of the law firm Stewart McKelvey. He 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. Mr. Dexter is also chairman of Empire Company Limited (food distribution, real estate and corporate investment; TSX) and a director or trustee of the following entities listed on the TSX: High Liner Foods Inc. (food) and Wajax Income Fund (industrial equipment). In addition, he has served as a director of the following companies, which were publicly traded, within the past five years: Aliant Inc. (communications; formerly a TSX-listed company) and Sobey's Inc. (food; formerly a TSX-listed company). 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.	**Independent** Governance committee Audit committee Management resources and compensation committee	1,814

Nominee	Biographical information	Status and committee membership [1, 2]	Units [3, 4]
Edward Reevey, FCA	See Table 1 for detail.		
 Karen Sheriff • Residence: Halifax, Nova Scotia and Toronto, Ontario, Canada • Age: 51 • Director since: 2004	Ms. Sheriff was appointed president and chief executive officer of Bell Aliant LP effective November 3, 2008, and was chief operating officer of Bell Aliant LP from July 11 to November 3, 2008. Prior to that Ms. Sheriff was president, small and medium business of 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. Ms. Sheriff is chair of the board of trustees of the Gardiner Museum of Ceramic Art. Ms Sheriff has served as a director of the following companies, which were publicly traded within the past five years: Aliant Inc. (communications; formerly a TSX-listed company) and Teknion Corporation (office systems; formerly a TSX-listed company).	**Not independent** Not a committee member	67,964 [7] (as at December 31, 2008, and includes DUP)
Louis Tanguay	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, 2009.

Appointee	Biographical information	Status and committee membership [1, 2]	Units [3, 4]
 George Cope • Residence: Toronto, Ontario, Canada • Age: 47 • Director since: 2008	Mr. Cope is president and chief executive officer of BCE and Bell Canada. He was president and chief operating officer of Bell Canada from October 2005 until July 2008. Prior to this he was president and chief executive officer of Telus Mobility from October 2000 to October 2005. Mr. Cope holds a Business Administration (Honours) degree from the University of Western Ontario and is a past recipient of Canada's Top 40 Under 40 Award. Mr. Cope serves as a director of Bank of Montreal (banking; TSX and NYSE), NII Holdings, Inc. (formerly known as Nextel International) (communications; NASDAQ) and the Advisory Board of the Richard Ivey School of Business at the University of Western Ontario.	**Not independent** Not a committee member	11,263
 Kevin Crull • Residence: Toronto, Ontario, Canada • Age: 44 • Director since: 2006	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.	**Not independent** Not a committee member	220

Appointee	Biographical information	Status and committee membership [1, 2]	Units [3, 4]
Siim Vanaselja	See Table 1 for detail.		
 David Wells • Residence: Etobicoke, Ontario, Canada • Age: 61 • Director since: 2008	Mr. Wells is executive vice-president of corporate services of Bell Canada. Prior to this he provided consulting services to Bell Canada. Mr. Wells was executive vice-president of employee services at Telus Mobility from October 2000 to June 2006. Mr. Wells holds a Bachelor of Commerce degree from the University of Toronto. Mr. Wells is a director of Bimcor Inc.	**Not independent** Governance committee Management resources and compensation committee	33
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 and Louis Tanguay. Pursuant to the Securityholders' Agreement, the Bell Aliant Holdings Inc. audit committee also serves as the Fund's audit committee. In addition, the Bell Aliant Holdings Inc. board 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.'s board does not have an executive committee.

(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. 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, directly or indirectly, was exercised as of April 30, 2009.

(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 was 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 Arrangements Act (the "CCAA"). The CCAA proceedings were completed in December 2008.

(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.

(7) Karen Sheriff, being an employee of Bell Aliant LP, participates in the executive Deferred Unit Plan ("DUP"). This number includes 540 Fund units and 67,424 deferred units. For further details on the DUP, ownership guidelines applicable to Karen Sheriff and her DUP holdings, please refer to the section titled Report on executive compensation.

Report on executive compensation

COMPENSATION DISCUSSION AND ANALYSIS

General provisions

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.

This document provides the disclosure regarding executive compensation required by the Canadian Securities Administrators National Instrument 51-102 – **Continuous Disclosure Obligations** and the regulations and policies of the Toronto Stock Exchange ("TSX"). It also takes into consideration the guidelines of leading governance organizations as well as other relevant Canadian disclosure practices.

Purpose, mandate and composition of the Management resources and compensation committee (referred to in this Compensation Discussion and Analysis section as the "committee").
The committee assists the directors and trustees to fulfill their responsibilities relating to the compensation, nomination, evaluation and succession of employees at Bell Aliant.

The role of the committee with respect to compensation is to:
- Oversee and recommend for approval by the directors 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 to be granted under all employee benefit plans, including the levels and types of benefits; and
- Review and approve all proposed enhancements to, or detractions from, the benefits accruing to employees under Bell Aliant's 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. In addition to its written mandate, the committee has established an annual work plan in the form of a forward agenda. A copy of the forward agenda 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 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**. As of December 31, 2008, the members of the committee were: Charles White (chair), Rob Dexter, Siim Vanaselja, David Wells and Victor Young. Mr. White resigned from the committee on April 29, 2009. None of the members of the committee is an officer, employee or former officer of Bell Aliant or is eligible to participate in Bell Aliant's executive compensation programs. Members of the committee have experience as current and former chief executive officers of large organizations, officers in large complex corporations, and/or directors of various other publicly traded entities. The directors and trustees believe the committee members collectively have the knowledge, experience and background required to fulfill the committee's mandate.

The committee ensures an objective process for determining compensation by holding "in camera" sessions at the end of each committee meeting, without management present. A record is kept of any decisions made during such sessions. The committee met ten times in 2008. In addition, from time to time, the committee engages external consultants to provide advice on executive compensation matters. In 2008, Bell Aliant employed the services of the Towers Perrin and Mercer (Canada) Limited consulting firms and paid fees to them in the amounts shown below:

Towers Perrin	$105,049
Mercer (Canada) Limited	$29,951
Total	$135,000

Note:
Mercer (Canada) Limited also provides general management compensation consulting services to Bell Aliant. The cost of these services is included in the fees shown above.

Bell Aliant's compensation philosophy and direction
Compensation of the company's executives is influenced by a number of factors such as business strategy, organizational performance and governance. The Bell Aliant executive compensation philosophy, approved by the committee in October 2006, aims at the achievement of four key objectives:
- Align total compensation with the interests of unitholders;
- Attract and retain high performing executives;
- Create a performance culture that rewards superior performance; and
- Link compensation with business strategy/objectives.

These objectives have guided the development of a Bell Aliant compensation model that includes base salary, 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 that place a significant portion of the executive's total compensation at risk; and
- Align the interests of each executive with those of the unitholders through the establishment of ownership guidelines and the opportunity to earn Fund units through long-term incentive plans.

The base salary target at the 50th percentile was selected to ensure base salaries remain competitive. Overall total compensation at the 60th percentile is only achieved if performance warrants.

Comparator group
Data from comparator groups or information from compensation surveys may be analyzed periodically to maintain a competitive compensation package for executives. In 2006, Bell Aliant conducted a thorough review of its compensation model, comparing it against a group consisting of Canadian companies of similar size or industry and revenue generating capacity. No review was considered necessary in 2008 in view 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, and perquisites and benefits. Each element is outlined in detail in the table below and in the narrative descriptions that follow.

	Base salary	Short-term incentive	Long-term incentive	Perquisites & benefits
Overview	Based on responsibilities and market data.	Conditional on performance and rewards achievement of annual targets that support Bell Aliant's strategic direction.	Conditional on performance and aligns interests of executives with those of unitholders through the use of equity compensation.	Based on being market competitive in providing health and other benefits and perquisites.

The short-term and long-term incentive compensation plans place a significant portion of compensation at risk.

Overview of compensation mix for executives in 2008

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

Executive	Base salary	Short-term incentive compensation	Long-term incentive compensation
Karen Sheriff, president and chief executive officer	27 %	24 %	49 %
Glen LeBlanc, chief financial officer	34 %	24 %	42 %
Roch Dubé, president Bell Aliant Quebec and Ontario	39 %	23 %	38 %
David Rathbun, executive vice-president and president, xwave	39 %	23 %	38 %
Fred Crooks, executive vice-president, corporate services and chief legal officer	39 %	23 %	38 %
Stephen Wetmore, former president and chief executive officer	25 %	25 %	50 %
Frank Fagan, former chief operating officer	31 %	23 %	46 %
Mahes Wickramasinghe, former executive vice-president	34 %	24 %	42 %

ANNUAL BASE SALARY

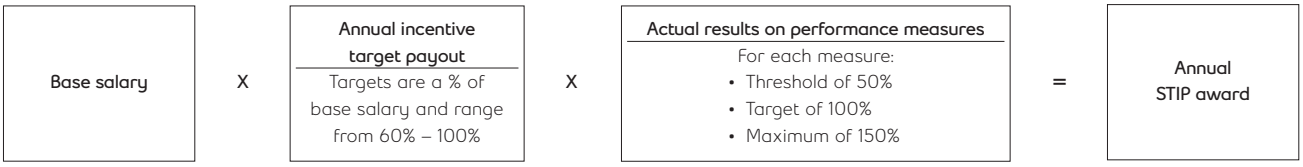
Salaries are determined based on the responsibilities of each position and the executive's experience and knowledge when compared to market data. From time to time, changes in responsibilities may occur, warranting a review of the executive's salary. The review may require the involvement of an outside consultant to provide an independent and objective recommendation for management to bring to the committee for discussion and approval.

SHORT-TERM INCENTIVE COMPENSATION

The short-term incentive plan ("STIP") is designed to reward the achievement of specific annual targets.

Target STIP payouts for each executive are a percentage of base salary ranging from 60% to 100%. Actual payouts are based on salary and results achieved for each performance measure used in the STIP program. The performance measures each have threshold, target and outperform levels which equate, respectively, to a 50%, 100% and 150% of target payout.

In addition, the plan includes two payout "governors" or restrictions – a financial floor (distributable cash) below which no payout is made, and an EBITDA hurdle which, if not met, precludes any payout above target.



STIP targets may be adjusted to take account of factors affecting performance which are beyond the executives' control. Events that have required adjustments in the past include CRTC decisions, accounting classification changes, and acquisitions or divestitures.

2008 STIP

On the committee's recommendation, the board approved the 2008 STIP on February 4, 2008. The 2008 STIP included measures designed to focus executives on improving the customer experience and delivering strong financial performance. There were four performance measures – distributable cash, gross revenue, customer service index and employee value index. Each measure was weighted equally, accounting for 25% of the overall STIP score. Information about the measures, targets and other features of the plan is set out below.

Distributable cash: This is a measure of financial performance and unitholder value. Distributable cash equals EBITDA minus certain annual cash expenditures such as pension current service cost and other post-employment benefit funding, interest expense and capital investments.

Gross revenue: This includes all recurring and one time revenues, before any costs are deducted.

Customer service index: This is a composite of five key metrics:

- Access for residential and small and medium business (SMB) installation and repair;
- Satisfaction with the representative composite for residential and SMB installation and repair;
- Provisioning commitments met including all new installs, move orders and change orders for field visits;
- Service assurance commitments met including all trouble reports; and
- Service assurance % total repaired within 48 hours.

Employee value index: This index is based on the concept that employees who feel valued help to create better customer service and overall corporate performance. Results for this index are determined by an annual survey of all employees.

Results of the 2008 STIP

The overall STIP payout was 86% of target for each named executive officer. Four measures contributed to the payout result:

- Distributable cash – $716 million of distributable cash was generated, which resulted in a full 25% payout.
- Gross revenue – $3,282 million in revenue was achieved, which resulted in a full 25% payout.
- Customer service index – customer service improved significantly in the year but came in just short of target resulting in a 21% payout.
- Employee value index – a comprehensive effort was made in the year to improve employee engagement, for which a 15% payout was awarded by the board.

The table below summarizes these results:

Measure	Weight	Actual results
Distributable cash	25 %	25 %
Gross revenue	25 %	25 %
Customer service index	25 %	21 %
Employee value index	25 %	15 %
Total result		**86 %**

The table below outlines the STIP result and payout for each named executive officer:

Executive	Salary	Short-term incentive target (% of base)	Short-term incentive actual result	Short-term incentive payout
Karen Sheriff, president and chief executive officer [1]	$111,233	85 %	86.0 %	$210,241
	$187,397	80 %		
Glen LeBlanc, chief financial officer	$400,000	70 %	86.0 %	$240,800
Roch Dubé, president Bell Aliant Quebec and Ontario	$425,000	60 %	86.0 %	$219,300
David Rathbun, executive vice-president and president, xwave	$300,000	60 %	86.0 %	$154,800
Fred Crooks, executive vice-president, corporate services and chief legal officer	$300,000	60 %	86.0 %	$154,800
Stephen Wetmore, former president and chief executive officer	$900,000	100 %	73.8 % [2]	$664,200
Frank Fagan, former chief operating officer	$251,922	75 %	100 % [2]	$186,986 [3]
Mahes Wickramasinghe, former executive vice-president	$300,000	70 %	73.8 % [2]	$155,122 [4]

Notes:

(1) Amounts for Ms. Sheriff represent salary, STIP target and STIP payouts in relation to her roles as president and chief executive officer from November 3, 2008, to December 31, 2008, and as chief operating officer from July 11, 2008, to November 2, 2008, respectively.

(2) Based on year-to-date results upon date of departure.

(3) Amounts for Mr. Fagan represent STIP payout pro-rated from January 1, 2008, to June 30, 2008.

(4) Amounts for Mr. Wickramasinghe represent STIP payout pro-rated from January 1, 2008, to September 30, 2008.

LONG-TERM INCENTIVE COMPENSATION

Long-term incentive compensation ("LTIP") is designed to align executive performance with long-term growth in unitholder value and to support the objectives of employee ownership, and a strong spirit of performance and entrepreneurship. Long-term incentives are delivered through our deferred unit plan ("DUP"). Under the DUP, individuals are designated by the directors and trustees to receive deferred units. The directors and trustees also determine the date of the grant, the number of deferred units to be granted, vesting conditions, the payout date and the performance criteria. All named executive officers are participants in the DUP. Each deferred unit represents the right to receive one Fund unit, provided certain performance and/or time-vesting criteria are met. The deferred units attract notional distributions, which are credited in the form of additional deferred units held in the participant's account.

2008 DUP grant

The DUP grant for each executive is a percentage of base salary ranging from 100% to 200%, as shown in the table below. Deferred units granted in 2008 vest in equal amounts of one-third in each of 2008, 2009 and 2010 subject to performance criteria. The performance measures each have threshold and target levels which equate, respectively, to 50% and 100% of target vesting. The performance measures are total unitholder return, weighted at 30%, and distributable cash, weighted at 70%.

Total unitholder return on investment ("TUR") is the appreciation in the Fund's unit value plus returns in the form of re-invested distributions, measured by taking the average of the unit price for the first 20 business days in year one compared to the average of the last 20 days in each year of the performance period.

Distributable cash equals EBITDA minus certain annual cash expenditures such as pension current service cost and other post-employment benefit funding, interest expense and capital investments.

The table below outlines the 2008 DUP grant for each named executive officer:

Executive	Salary	Short-term incentive target (% of base)	Long-term incentive grant (units)	Long-term incentive grant ($ value) [1, 3]
Karen Sheriff, president and chief executive officer	$700,000	175%	18,894	$475,751[2]
	$600,000	150%		
Glen LeBlanc, chief financial officer	$400,000	125%	16,595	$500,007
Roch Dubé, president Bell Aliant Quebec and Ontario	$425,000	100%	14,106	$425,014
David Rathbun, executive vice-president and president, xwave	$300,000	100%	9,957	$300,004
Fred Crooks, executive vice-president, corporate services and chief legal officer	$300,000	100%	9,957	$300,004
Stephen Wetmore, former president and chief executive officer	$900,000	200%	59,741	$1,799,996
Frank Fagan, former chief operating officer	$500,000	150%	24,892	$749,996
Mahes Wickramasinghe, former executive vice-president	$400,000	125%	16,595	$500,007

Notes:

(1) The value of the long-term incentive plan grant is calculated based on a unit price of $30.13.

(2) Upon her appointment as president and chief executive officer, Ms. Sheriff was granted units based on a unit value at date of grant of $25.18. Amounts for Ms. Sheriff represent the DUP grant pro-rated for the time in her role as chief operating officer from July 11, 2008, to November 2, 2008, and president and chief executive officer from November 3, 2008, to December 31, 2008.

(3) The ultimate value of the grant is dependent on the fair market value of the vested fund units at the time of redemption.

Results of year one for the 2008 LTIP

Total unitholder return on investment – Result: 0%. The Fund unit price declined during the year such that TUR performance targets were not met, therefore resulting in a 0% vesting based on the TUR measure in Year 1 of the DUP grant.

Distributable cash – Result: 100%. Distributable cash was above budget therefore the distributable cash target was met, resulting in 100% vesting based on the distributable cash measure in Year 1 of the DUP grant.

Since the distributable cash performance measure has a weighting of 70% with a 100% result and TUR has a weighting of 30% with a 0% result, the DUP vesting for 2008 was 70%. Additional DUP deferred units granted in 2008 may still vest if the cumulative target for TUR is met in the second or third performance year.

OWNERSHIP GUIDELINES

Bell Aliant established unit ownership guidelines for its executives in 2006. Credit is given for ownership of Fund units (including units held in the employee unit ownership plan, unitholder reinvestment plan or within an RRSP) and/or deferred units held in the DUP. Executives are required to meet the guidelines within a period of five years from the date of appointment to the executive position. The ownership status of our current named executive officers as of December 31, 2008, is as follows:

Name	Title	Unit ownership as of December 31, 2008 [1]	Unit ownership guideline	Target date to achieve Unit ownership
Karen Sheriff	President and chief executive officer	19,639	4 x base salary	December 31, 2013
		$462,504	$2,800,000	
Glen LeBlanc	Chief financial officer	56,242	3 x base salary	December 31, 2011
		$1,324,498	$1,200,000	
Roch Dubé	President Bell Aliant Quebec and Ontario	60,719	3 x base salary	December 31, 2011
		$1,429,925	$1,275,000	
David Rathbun	Executive vice-president and president, xwave	45,834	3 x base salary	December 31, 2011
		$1,079,387	$900,000	
Fred Crooks	Executive vice-president, corporate services and chief legal officer	38,077	3 x base salary	December 31, 2011
		$896,704	$900,000	

Note:

(1) Total value of unit ownership is calculated based on a unit price of $23.55, the closing price of Fund units on the TSX on December 31, 2008.

COMPENSATION OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

Stephen Wetmore, former president and chief executive officer (January 1, 2008 – November 3, 2008)

Mr. Wetmore ceased performing the duties of president and chief executive officer of Bell Aliant on November 3, 2008, and his employment terminated on December 31, 2008. In accordance with his employment agreement, Mr. Wetmore was paid severance of 30 months of base pay ($2,250,000), short-term incentive pay at target ($2,250,000), and 30 days vacation pay ($103,846).

The following table summarizes the severance payments received by Mr. Wetmore.

Severance pay	
Base pay	$2,250,000
STIP	$2,250,000
Other	$103,846
Total	$4,603,846

In addition, Mr. Wetmore became eligible to receive payments related to earned compensation for 2008 under both the 2008 STIP and LTIP. Under the STIP, he was paid $664,200, based on plan performance of 73.8% as of September 30, 2008. Under the LTIP and in accordance with Mr. Wetmore's employment agreement, all unvested DUP units became vested at target (100%) with a value of $4,472,784.

In accordance with the retirement provision in his supplementary executive retirement plan, Mr. Wetmore became eligible to retire as of December 31, 2007. With the cessation of his employment on December 31, 2008, he commenced receipt of his pension and retirement benefits on January 1, 2009. Mr. Wetmore received a retirement allowance of $900,000. He receives an initial annual pension of $636,018 as well as other post retirement benefits.

Details of Mr. Wetmore's pension arrangement are given in the **Retirement plans** section of this **Report on executive compensation**.

Karen Sheriff, president and chief executive officer (effective November 3, 2008)
Ms. Sheriff was appointed president and chief executive officer effective November 3, 2008. The components of her Bell Aliant compensation included:

	President & chief executive officer
Annualized base pay	$700,000
Performance based compensation	
Short-term incentive plan (85% of base salary)	$595,000
Long-term incentive plan (175% of base salary)	$1,225,000
Total Direct Compensation	$2,520,000

In determining Ms. Sheriff's compensation, the board took into consideration Bell Aliant's compensation model, as well as her Bell Canada executive experience and compensation. Based on the review, the board approved Ms. Sheriff's total compensation. Details of Ms. Sheriff's pension arrangement are given in the **Retirement plans** section of this **Report on executive compensation**.

SHARE/UNIT PERFORMANCE

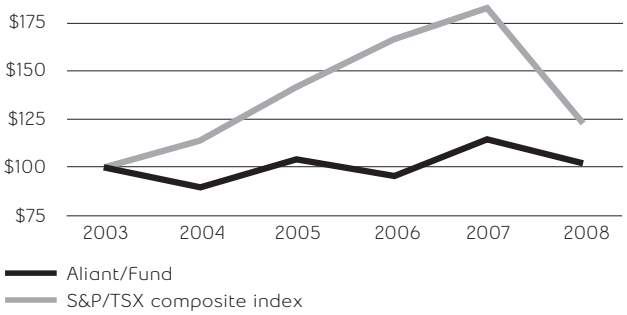
The cumulative total return chart and share/unit performance graph below were prepared based on an investment of $100 in Aliant Inc. ("Aliant") common shares as of December 31, 2003. The chart reflects the total return of Aliant common shares on the TSX for the period from January 2004 to July 2006 and the total return of Fund units on the TSX from July 2006 to December 2008.

Cumulative total return [1]

(at December 31)	2003	2004	2005	2006	2007	2008	Return [2]
Aliant/Fund	100	90	104	96	115	102	0.4 %
S&P/TSX composite index	100	114	142	167	183	123	4.2 %

Notes:
(1) The final column "Return" reflects results for Aliant and the Fund combined.
(2) 5-year compounded annual total return.

Performance graph
The performance graph is based upon an initial investment of $100 invested in Aliant common shares on December 31, 2003. For comparison purposes, also shown is the corresponding information for the S&P/TSX Composite Total Return index.



Period prior to the Bell Aliant Plan of Arrangement (the "Plan of Arrangement") (January 2004 – July 2006)
For the period leading to the creation of Bell Aliant and the income trust conversion, compensation for named executive officers was based on the compensation model of their respective predecessor organizations: Aliant, Bell Canada and Bell Nordiq. Aliant's executive compensation model included a stock option program and a performance share unit plan.

Performance share units awarded in 2005 did not meet the performance criterion for this grant and therefore none of the units vested.

Aliant's stock option program was terminated as of the date of the Plan of Arrangement on July 7, 2006. Named executive officers, who held options to acquire Aliant common shares, received payment representing the amount by which the Aliant trading price exceeded the exercise price. These payments were made in lieu of the normal practice of exercising such options.

Period since the Bell Aliant Plan of Arrangement
Since the formation of Bell Aliant, executives have received long-term incentive awards in the form of deferred units. The first grants, for 2006, were based on time vesting only. The objective of this grant was to facilitate executive ownership in the new entity and to recognize that a significant period had elapsed without any type of long-term incentive being available to the executive team. The subsequent two grants, for 2007 and 2008, incorporate performance criteria that, together with the underlying ownership feature, provide a balance between annual financial performance and investor returns.

The decline in market value from 2007 to 2008 shown in the performance graph affected the variable compensation of our named executive officers. In particular, the long-term incentive plan vested at 0% for year two of the 2007 grant and 70% for year one of the 2008 grant.

SUMMARY COMPENSATION TABLE ("SCT")

Compensation of officers

The named executive officers include the chief executive officer ("CEO") and chief financial officer ("CFO"), the three executives with the next highest total compensation in 2008 who are officers as of December 31, 2008, and other officers who were not executive officers at December 31, 2008 whose total compensation exceeded that of the lowest paid among the active year-end named executive officers (other than the CEO or the CFO). Pension value and severance payout amounts are not included in determining total compensation for purposes of identifying named executive officers. Bell Aliant's named executive officers for 2008 are Stephen Wetmore, former president and chief executive officer (January 1, 2008, to November 3, 2008); Karen Sheriff, president and chief executive officer; Glen LeBlanc, chief financial officer; Roch Dubé, president Bell Aliant Ontario and Quebec; David Rathbun, executive vice-president and president xwave; Fred Crooks, executive vice-president, corporate services and chief legal officer; Frank Fagan, former chief operating officer (January 1, 2008, to June 30, 2008) and Mahes Wickramasinghe, former executive vice-president (January 1, 2008, to September 30, 2008).

The table below outlines total compensation paid by Bell Aliant or its subsidiaries to the named executive officers for 2008, in the form prescribed by the Canadian securities regulatory authorities.

				Non-equity incentive plan compensation			
	Year	Salary ($)	Share-based awards ($)	Annual short-term incentive compensation ($)	Pension value ($)	All other compensation ($)	Total compensation ($)
Karen Sheriff President and chief executive officer	2008	298,630	475,751	210,241	452,581	48,587 [1]	1,485,790
Glen LeBlanc Chief financial officer	2008	400,000	500,007	240,800	71,949	128,108 [2]	1,340,864
Roch Dubé President Bell Aliant Quebec and Ontario	2008	425,000	425,014	219,300	146,015	71,203 [2]	1,286,532
David Rathbun Executive vice-president and president, xwave	2008	300,000	300,004	154,800	121,242	98,734 [2]	974,780
Fred Crooks Executive vice-president, corporate services and chief legal officer	2008	300,000	300,004	154,800	72,000	87,012 [2]	913,816
Stephen Wetmore Former president and chief executive officer	2008	900,000	1,799,996	664,200	2,199,855	5,999,199 [2, 3]	11,563,250
Frank Fagan Former chief operating officer	2008	251,922	749,996	186,986	(54,053)	1,243,725 [2, 4]	2,378,576
Mahes Wickramasinghe Former executive vice-president	2008	300,000	500,007	155,122	0	2,171,966 [2, 5]	3,127,095

Notes:

(1) Karen Sheriff's total compensation for 2008 reflects her actual earnings as Bell Aliant chief operating officer from July 11, 2008, to November 2, 2008, and as president and chief executive officer from November 3, 2008, to December 31, 2008. Prior to July 11, 2008 she was an employee of Bell Canada. All other compensation includes a transition allowance of $36,000, DUP distributions earned in 2008, along with other taxable benefits.

(2) All other compensation includes accrued distributions in the DUP in 2008, employer contributions and interest paid to the named executive officers under the employee unit ownership plan, and other taxable benefit amounts.

(3) Stephen Wetmore resigned as president and chief executive officer on November 3, 2008, and ceased to be an employee of Bell Aliant effective December 31, 2008. Mr. Wetmore received severance payments pursuant to his employment agreement.

(4) Frank Fagan retired on June 30, 2008. Mr. Fagan did not have an employment contract. All other compensation includes a retention bonus payout of $12,466, a retiring allowance of $978,975 as well as DUP distributions earned in 2008 of $97,254. Following retirement, Mr. Fagan provided consulting services to Bell Aliant for which he received an amount of $50,200.

(5) Mahes Wickramasinghe resigned as executive vice-president effective September 30, 2008. Mr. Wickramasinghe received severance payout amounts as per his employment contract in the amount of $1,450,000.

INCENTIVE PLAN AWARDS (LTIP AND STIP)

The tables below outline the value of vested and unvested equity grants under the DUP and the value of non-equity compensation earned by the named executive officers in 2008.

Outstanding unit awards

Name	Number of units that have not vested	Value of unvested units if performance targets are not achieved	Value of unvested units if performance targets are achieved [1]
Karen Sheriff	14,643	$0	$344,843
Glen LeBlanc	28,010	$0	$659,636
Roch Dubé	20,743	$0	$488,498
David Rathbun	16,806	$0	$395,781
Fred Crooks	15,652	$0	$368,605
Frank Fagan	3,076	$0	$72,440
Mahes Wickramasinghe	2,543	$0	$59,888

Note:

(1) Total value of units is calculated based on a unit price of $23.55, the closing price of Fund units on the TSX on December 31, 2008.

Value vested or earned

Name	Number of units that vested in 2008	Value during the year on vesting of deferred units [1]	Non-equity incentive plan compensation (STIP) – value earned during the year
Karen Sheriff	4,457	$104,962	$210,241
Glen LeBlanc	10,546	$248,358	$240,800
Roch Dubé	3,894	$91,704	$219,300
David Rathbun	7,491	$176,413	$154,800
Fred Crooks	6,425	$151,309	$154,800
Stephen Wetmore	134,174 [2]	$3,159,798	$664,200
Frank Fagan	11,804	$277,984	$186,986
Mahes Wickramasinghe	10,882	$256,271	$155,122

Notes:

(1) Value during the year on vesting is based on deferred units vested in 2008 for each of the 2006, 2007 and 2008 DUP grants. Actual value of units is determined upon redemption, a date up to two years following the last day of active employment.

(2) Mr. Wetmore's units fully vested in 2008.

FUND UNITS ISSUED FOR THE YEAR ENDED DECEMBER 31, 2008

Participants in the DUP have up to two years after the last date of employment to request their vested Fund units under the DUP. In 2008, Frank Fagan, former chief operating officer was issued 23,301 Fund units based on a unit price of $26.49 for a total value of $617,243.

DEFERRED UNIT PLAN

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 named executive officers and senior leaders are eligible to participate in the DUP. The directors 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 due to resignation or termination with cause, any unvested deferred units terminate and are forfeited, unless otherwise determined by the directors and trustees. In the event of retirement, termination without cause, death or termination by reason of disability, unvested deferred units vest on a prorated basis from the beginning of the performance period to the end of employment date, subject to actual performance results as determined at the end of the performance period. 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 Fund units issuable, extends the last date on which Fund 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.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table shows, as of December 31, 2008, information regarding compensation plans under which equity securities of the Fund are authorized for issuance. The numbers shown for **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 and to note 7 of the Fund's consolidated financial statements for the period ended December 31, 2008, for further information.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights [1]	Number of securities remaining available for future issuance under equity compensation plans [2]
Equity compensation plans approved by security holders	1,181,958	4,956,849

Notes:

(1) Includes 1,181,958 deferred units issued under the Bell Aliant DUP as of December 31, 2008. Of these, 686,145 deferred units were vested at December 31, 2008, and the remaining deferred units are subject to time and performance criteria being met before they become vested and can be exercised. There is no exercise price related to outstanding deferred units.

(2) Includes a remaining reserve of 3,559,280 for the Bell Aliant DUP, less the number of deferred units already issued and outstanding at December 31, 2008; a reserve of 300,000 for the matching deferred ownership plan; a reserve of 200,000 for the Directors' DUP; and a remaining reserve of 2,079,527 for treasury unit issuances under the employee unit ownership plan. The matching deferred ownership plan and the Directors' DUP are approved but have not been implemented. All other equity compensation plans have been implemented.

On June 18, 2008, the trustees and unitholders approved an increase to the maximum number of Fund units issuable under DUP from 1,200,000 to 3,600,000 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).

The maximum number of deferred units issuable to insiders (as defined by the TSX relating to security based compensation arrangements) under the Bell Aliant 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.

RETIREMENT PLANS

The named executive officers participate in a variety of defined benefit and defined contribution pension plans and supplementary executive retirement plans ("SERP"). While generally similar, certain specific terms regarding an individual's benefits may vary.

The amounts that follow are the approximate values of retirement plan obligations accrued as of December 31, 2008, the compensation costs incurred during 2008, 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 9 of Bell Aliant Holdings LP's consolidated financial statements for the year ended December 31, 2008.

Defined benefit ("DB") retirement plans table

The following table provides information on accrued obligation for each named executive officer who is a member of a Defined Benefit retirement plan arrangement.

Name	Number of years credited service [1]	Annual accrued benefit payable: At December 31, 2008 [2] ($)	Annual accrued benefit payable: At age 65 [3] ($)	Accrued obligation at start of year [4] ($)	Compensatory change in accrued obligation [5] ($)	Non-compensatory change in accrued obligation [6] ($)	Accrued obligation at end of year ($)
Karen Sheriff [7]	14.4	311,948	771,134	0	452,581	1,196,504	1,649,085
Glen LeBlanc	15.3	129,571	397,195	1,471,512	71,949	(438,269)	1,105,192
Roch Dubé [7]	33.1	352,400	451,114	4,015,219	146,015	(619,715)	3,541,519
David Rathbun	11.1	84,238	170,405	1,172,326	92,442	(217,834)	1,046,934
Stephen Wetmore [8]	14.3	636,018	636,018	6,666,400	2,199,855	1,122,622	9,988,877
Frank Fagan [8]	60.7	649,191	649,191	10,052,049	(54,053)	(1,051,247)	8,946,749
Mahes Wickramasinghe [8]	5.1	11,945	11,945	499,800	0	(499,800)	0

Notes:

(1) Years of credited service include any additional service granted under a SERP.

(2) Annual pension accrued at year end is based on deferred pension payable at age 65 based on credited service and average earnings as of December 31, 2008.

(3) Annual pension payable at age 65 is based on projected service at age 65 and average earnings as of December 31, 2008.

(4) The accrued obligation refers to the present value of benefits earned to date. Measurement of accrued obligation reflects the accounting assumptions used in Bell Aliant Regional Communications Holdings, Limited Partnership's financial statements.

(5) Compensatory elements, as reported in the pension value column of the SCT include service cost, impact of plan amendments if any, and the impact of changes to compensation from the previous year that differed from the previous year's assumptions.

(6) Non-compensatory elements include change in measurement assumptions (not related to plan amendments), non-pay-related experience, such as interest rates and retirement date assumptions, and benefit payments, if any.

(7) In the event that Ms. Sheriff or Mr. Dubé leave prior to becoming eligible for retirement, no SERP benefits are payable and any additional years of credited service are forfeited.

(8) Mr. Wetmore and Mr. Fagan retired on December 31, 2008, and June 30, 2008, respectively. Mr. Wickramasinghe terminated employment on September 30, 2008, prior to becoming eligible for supplementary plan benefits.

The following table summarizes each named executive officer's years of credited service under their registered pension plan and applicable SERP and years of actual service.

Name	Plan	Years of credited service	Years of actual service
Karen Sheriff	Registered pension plan	9.6	14.6
	Supplementary executive retirement plan	14.4	
Glen LeBlanc	Registered pension plan	15.3	15.3
	Supplementary executive retirement plan	4.0	
Roch Dubé	Registered pension plan	29.6	29.6
	Supplementary executive retirement plan	33.1	
David Rathbun	Supplementary executive retirement plan	11.1	11.1
Stephen Wetmore	Registered pension plan	10.9	10.9
	Supplementary executive retirement plan	14.3	
Frank Fagan	Registered pension plan	46.5	46.5
	Supplementary executive retirement plan	60.7	
Mahes Wickramasinghe	Registered pension plan	5.1	5.1
	Supplementary executive retirement plan	0	

For all named executive officers except Mr. LeBlanc, Mr. Rathbun, and Mr. Wickramasinghe, the years of service in their applicable SERP includes the service in the registered pension plan as well as an additional half year of credited service for each year that they have served as a senior officer. Ms. Sheriff's actual service includes five years with Ameritech/SBC for pension eligibility purposes only. Mr. Rathbun is not entitled to any additional years of credited service. The years of service in the registered pension plan and SERP for Mr. LeBlanc reflect that his SERP eligibility began upon his appointment to chief financial officer and he had 11.3 years of credited service as a member of the company registered pension plan prior to that date. The credited service for Mr. Wickramasinghe reflects his termination of employment prior to becoming eligible for benefits under his SERP.

Defined contribution ("DC") plans

The following table provides information on the accumulated values for each named executive officer who is a member of a defined contribution plan arrangement.

Name	Accumulated value at start of year	Compensatory change in value in the year [1]	Non-compensatory change in value in the year [2, 3]	Accumulated value at end of year
Fred Crooks	$188,685	$72,000	($23,187)	$237,497
David Rathbun	$363,142	$28,800	($65,688)	$326,253

Notes:

(1) Compensatory elements include actual employer contributions to a registered DC plan or personal registered retirement savings plan ("RRSP") up to the annual income tax limit, as well as employer contributions to a notional account above that limit.

(2) Non-compensatory elements include employee contributions to the registered DC plan for Mr. Rathbun, and investment earnings on all employee and employer contributions for Mr. Rathbun, as well as investment earnings on the employer notional account for Mr. Crooks. Non-compensatory elements do not include investment earnings on the employer contribution to the personal RRSP for Mr. Crooks. The personal RRSP consists of personal accounts for which the company does not have the relevant investment earnings information.

(3) Rate of return for investment earnings in the notional accounts is determined based on one or a combination of six asset classes, as chosen by the plan member. The rate of return for each asset class is represented by a specific index.

Karen Sheriff

Karen Sheriff participates in the defined benefit provision of the Bell Aliant Pension Plan (Ontario and Quebec), and a SERP. In general, Ms. Sheriff will be entitled to receive SERP benefits upon attaining the earlier of:

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

Ms. Sheriff will be entitled to unreduced retirement benefits from her SERP effective October 4, 2018, when she attains age 60.65 and service of 19.35 years and the sum of her age and credited service is 80.

At retirement, these plans will provide an annual pension per credited year of service of 1.0% of her best 36 consecutive months' average pensionable earnings up to the maximum pensionable earnings and 1.7% of her best 36 consecutive months' average pensionable earnings over the maximum pensionable earnings, to a maximum of 70% of her 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 long-term compensation reported in the SCT. These benefits are not subject to any deductions for government benefits or other offset amounts. Ms. Sheriff's SERP provides for an additional half-year of credited service for each year as a senior officer, and a survivor pension of 60% of Ms. Sheriff's pension benefit. At retirement, Ms. Sheriff's SERP also provides for a lump-sum payment equal to her annual salary immediately prior to retirement.

Glen LeBlanc

Glen LeBlanc participates in the Bell Aliant Defined Benefit Pension Plan and a SERP. Mr. LeBlanc will be entitled to receive unreduced retirement benefits effective August 2, 2022, when he attains age 55 and his service is greater than 25 years.

The plans provide an annual pension of 1.5% of his best 60 consecutive months' average pensionable earnings at retirement for each credited year of service before 2005, plus 1.7% of his best 36 consecutive months' average pensionable earnings at retirement for each credited year of service in or after 2005. Pensionable earnings include salary and short-term incentive payments but do not include long-term compensation reported in the SCT. At age 65, the pension benefit for service before 2005 is reduced to reflect benefits from the Canada Pension Plan. Mr. LeBlanc's SERP provides a survivor pension equal to 60% of Mr. LeBlanc's pension benefit.

Roch Dubé

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

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

Mr. Dubé will be entitled to unreduced retirement benefits from his SERP effective March 19, 2009, when he attains age 55.21 and service of 29.78 years and the sum of his age and credited service is 85.

At retirement, these 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 long-term compensation reported in the SCT. These benefits are not subject to any deductions for government benefits or other offset amounts. Mr. Dubé's SERP provides for an additional half-year of credited service for each year as a senior officer, and a survivor pension of about 60% of Mr. Dubé's pension benefit. At retirement, his SERP also provides for a lump-sum payment equal to Mr. Dubé's annual salary immediately prior to retirement.

David Rathbun
Mr. Rathbun participates in the Bell Aliant Defined Contribution Pension Plan and a SERP. Mr. Rathbun will be entitled to receive unreduced retirement benefits from his SERP upon attaining age 60.

The registered defined contribution pension plan, as it applies to Mr. Rathbun, is a plan under which he contributes 2% of pensionable earnings and Bell Aliant contributes 6%. The combined contributions are made to the registered pension plan up to the income tax limit ($21,000 in 2008) and to a notional account for contributions above that limit.

Mr. Rathbun also participates in a SERP that provides an annual pension of 1.5% of his best 36 consecutive months' average pensionable earnings for each year of credited service (to a maximum of 75% of such earnings). Pensionable earnings include salary, short-term incentive payments and perquisites received by Mr. Rathbun but do not include long-term compensation reported in the SCT. At age 65, the pension benefit is reduced to reflect benefits from the Canada Pension Plan. The plan provides a survivor pension equal to 66.67% of the executive's pension benefit.

Mr. Rathbun is also entitled to a pension enhancement resulting from a 2001 retention bonus. This bonus was used to ensure continuity of leadership following the merger of Aliant's predecessor corporations and named executives were entitled to compensation if they remained with Aliant until June 1, 2001. Prior to becoming eligible for the bonus, Mr. Rathbun elected to take the balance of the retention bonus as a pension enhancement. The total amount accrued with interest for Mr. Rathbun as of December 31, 2008, was $311,000 and the estimated annual benefit payable at normal retirement (age 60) is currently $28,000.

Fred Crooks
Mr. Crooks participates in a Bell Aliant executive retirement plan. This plan is a non-contributory defined contribution retirement plan with Bell Aliant contributing 15% of his pensionable earnings. Pensionable earnings include salary and short-term incentive payments but do not include long-term compensation reported in the SCT. Bell Aliant's contributions up to the personal income tax limit are made to a registered retirement savings plan and contributions in excess of the income tax limit are accrued and tracked in a notional account for Mr. Crooks. The maximum contribution that could be made to registered retirement savings plans for 2008 was $20,000.

Stephen Wetmore
Stephen Wetmore participated in the defined benefit provision of the Bell Aliant Pension Plan (Ontario and Quebec), and a SERP. Mr. Wetmore was entitled to receive unreduced retirement benefits upon attaining age 55, which he attained in December 2007.

The defined benefit plan formula provides 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 long-term compensation reported in the SCT. These benefits are not subject to any deductions for government benefits or other offset amounts. Mr. Wetmore's SERP provides for an additional half-year of credited service for each year as a senior officer, and a survivor pension equal to 66.67% of Mr. Wetmore's pension benefit. At retirement, Mr. Wetmore's SERP also provides for a lump-sum payment equal to his annual salary immediately prior to retirement.

Mr. Wetmore's retirement arrangement provides for a minimum 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. Upon retirement, severance of 30 months is included for the purpose of determining his minimum benefit percentage.

Mr. Wetmore retired effective December 31, 2008, with an initial annual pension of $636,018.

Frank Fagan
Frank Fagan participated in the Bell Aliant Defined Benefit Pension Plan and a SERP. These 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 long-term compensation reported in the SCT. At age 65, the pension benefit is reduced to reflect benefits payable from the Canada Pension Plan. Mr. Fagan's SERP provides for an additional half-year of credited service for each year as a senior officer and at June 30, 2008, Mr. Fagan had 60.7 credited years of service. His SERP provides a survivor pension equal to 66.67% of Mr. Fagan's pension benefit. Mr. Fagan has reached the highest pension percentage and is entitled to receive a pension equal to 70% of the best average 36 consecutive months of pensionable earnings. At retirement, Mr. Fagan's SERP provides for a lump-sum payment equal to his annual salary immediately prior to retirement.

Mr. Fagan retired effective June 30, 2008, with an initial annual pension of $649,191.

Mahes Wickramasinghe
Mahes Wickramasinghe participated in the defined benefit provision of the Bell Aliant Pension Plan (Ontario and Quebec), and a SERP.

Mr. Wickramasinghe terminated employment with Bell Aliant effective September 30, 2008. He was not entitled to receive his SERP benefits, as he did not meet the minimum eligibility requirements.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT AGREEMENTS

All named executive officers as of December 31, 2008, have employment agreements providing for 24 months severance (base pay, STIP at target, and perquisites) in the event of termination without cause. In the event of termination with cause, no incremental payments are owed to any of the named executive officers. In addition, each executive has signed a non-compete, non-solicitation provision. The duration of the provision for Karen Sheriff is 24 months while all others have 12 months subsequent to termination or resignation. There are no provisions in the contracts dealing with a change of control.

Below are the incremental payments to our named executive officers for termination of employment as of December 31, 2008:

Karen Sheriff
In the event of termination without cause, Ms. Sheriff is entitled to severance in the amount of $2,890,000 and a special retirement benefit if termination or resignation occurs prior to February 8, 2018, the date she becomes eligible for retirement under the terms of her SERP. As of December 31, 2008, the amount is equal to $1,942,500, which represents 1.5x base salary and STIP at target. Once Ms. Sheriff becomes eligible for retirement under her SERP, she is entitled to a retirement allowance of 1x base salary.

Glen LeBlanc
In the event of termination without cause, Mr. LeBlanc is entitled to severance in the amount of $1,450,000. In addition, he is entitled to commence receipt of pension benefits from his defined benefit pension plan at age 55 (or his age at termination, if later) without actuarial reduction for early retirement.

Roch Dubé
In the event of termination without cause, Mr. Dubé is entitled to severance in the amount of $1,400,000. Upon retirement, Mr. Dubé is entitled to a retirement allowance of 1x base salary.

David Rathbun
Mr. Rathbun will receive, upon termination without cause, severance in the amount of $1,040,000. In addition, he is entitled to commence receipt of pension benefits from any defined benefit component of his pension plan(s) at age 55 (or his age at termination, if later) without reduction for early retirement.

Fred Crooks
Mr. Crooks will receive, upon termination without cause, severance in the amount of $1,040,000.

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 for fulfilling that commitment 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.

When NP 58-201 was published in June 2005, the Canadian Securities Administrators (the "CSA") 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 CSA 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 CSA 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 National Instrument 52-110 – **Audit Committees** ("NI 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 and Victor Young are independent within the meaning of NI 58-101. Charles White resigned from the board on April 29, 2009, and was independent within the meaning of NI 58-101. The board has also determined that (i) Karen Sheriff, the president and chief executive officer of Bell Aliant LP, (ii) George Cope, the chief executive officer of BCE, (iii) Kevin Crull, the president, residential services of Bell Canada (iv) Siim Vanaselja, the executive vice-president and chief financial officer of BCE and Bell Canada and (v) David Wells, the executive vice-president of corporate services of Bell Canada, are not independent within the meaning of NI 58-101. Andrew Smith, the vice-president of corporate development of BCE and Bell Canada, resigned from the board on May 1, 2009, and was not independent within the meaning of NI 58-101. Therefore, the board is currently composed of 9 directors, four of whom are independent. Expressed as a percentage, 44% of the directors are independent. Three of the four Fund trustees are independent (expressed as a percentage, 75% of the Fund trustees are independent). All members of the audit committee are independent. Prior to the resignation of Charles White on April 29, 2009, a majority of the members of the other board committees were independent.

OTHER DIRECTORSHIPS

Where any director proposed to be approved on June 5, 2009, 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. The Bell Aliant directors and trustees presently have no interlocking directorships, except for George Cope and Victor Young, who are both members of the board of BCE.

GOVERNANCE MANUAL

Upon the creation of Bell Aliant in July 2006, 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 shall be appointed from among the independent directors, and that if the chair of the trustees is not independent, then a lead independent trustee shall be appointed from among the independent trustees. George Cope, a non-independent director, serves as chair of the board; Siim Vanaselja, a non-independent trustee, serves as chair of the trustees. Charles White, an independent director, served as lead independent director and trustee and vice-chair of the board and trustees from July 2006 until his resignation on April 29, 2009, leaving a vacancy in these positions. 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.

INDEPENDENCE OF THE BOARD AND TRUSTEES

The chair's and lead independent director's responsibilities specifically include ensuring the trustees and board can function independently of management. When appropriate, to ensure independence from management, the chief executive officer 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.

The lead independent director is a non-executive position, which focuses 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 independent director shall ensure the independent directors have an opportunity to meet without management and non-independent directors at each regularly scheduled board meeting. In 2008, the independent directors met nine 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 **About the Fund** section, 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 that 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 are set out in the governance manual. The manual provides a number of guidelines for directors and trustees to bear 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.

MEETING ATTENDANCE

The following table shows the attendance record for each Fund trustee and director of Bell Aliant Holdings Inc. for all trustee, board and committee meetings held from January 1, 2008, to April 30, 2009.

ATTENDANCE BY BELL ALIANT HOLDINGS INC. DIRECTORS AND FUND TRUSTEES

	Fund		Fund and Bell Aliant Holdings Inc.						Bell Aliant Holdings Inc.			
	Fund trustees		Audit committee		Governance committee		Management resources and compensation committee		Board		Pension committee	
Director/trustee	2008[1]	2009[2]	2008[1]	2009[2]	2008[1]	2009[2]	2008[1]	2009[2]	2008[1]	2009[2]	2008[1]	2009[2]
George Cope [4]	—	—	—	—	—	—	—	—	4/5	2/2	—	—
Kevin Crull	—	—	—	—	—	—	—	—	11/12	2/2	—	—
Robert Dexter	—	—	6/8	2/2	4/5	2/2	8/10	2/2	12/12	2/2	—	—
Lawson Hunter [3]	5/6	—	—	—	3/3	—	3/4	—	6/7	—	2/2	—
Patrick Pichette [3]	—	—	—	—	—	—	—	—	4/7	—	—	—
Edward Reevey [9]	10/10	2/2	8/8	2/2	—	—	—	—	12/12	2/2	3/3	—
Michael Sabia [3]	—	—	—	—	—	—	—	—	7/7	—	—	—
Karen Sheriff [6]	—	—	—	—	2/3	—	—	—	10/12	2/2	—	—
Andrew Smith [7]	—	—	—	—	—	—	—	—	1/1	2/2	—	—
Louis Tanguay [9]	6/10	2/2	7/8	2/2	—	—	—	—	10/12	2/2	—	—
Siim Vanaselja [5, 9]	4/4	2/2	—	—	2/2	2/2	6/6	2/2	5/5	2/2	1/1	—
David Wells [5]	—	—	—	—	2/2	2/2	6/6	2/2	5/5	2/2	—	—
Stephen Wetmore [8]	—	—	—	—	—	—	—	—	9/11	—	—	—
Charles White [9]	10/10	2/2	8/8	2/2	5/5	2/2	10/10	2/2	12/12	2/2	3/3	—
Victor Young [9]	10/10	2/2	—	—	4/5	2/2	8/10	2/2	12/12	2/2	—	—

Notes:

(1) Includes meetings attended/held from January 1 – December 31, 2008.

(2) Includes meetings attended/held from January 1 – April 30, 2009. There were no pension meetings held during this time.

(3) Lawson Hunter resigned as a Fund trustee and from the Bell Aliant Holdings Inc. board and Patrick Pichette and Michael Sabia resigned from the Bell Aliant Holdings Inc. board effective July 11, 2008.

(4) George Cope was appointed chair of the Bell Aliant Holdings Inc. board effective July 11, 2008.

(5) Siim Vanaselja was appointed chair of the Fund trustees and a member of the Bell Aliant Holdings Inc. board effective July 11, 2008. David Wells was appointed to the Bell Aliant Holdings Inc. board effective July 11, 2008.

(6) Karen Sheriff was appointed chief operating officer of Bell Aliant LP effective July 11, 2008. Ms. Sheriff was appointed president and chief executive officer of Bell Aliant effective November 3, 2008, and remains a Bell Aliant Holdings Inc. director.

(7) Andrew Smith was appointed to the Bell Aliant Holdings Inc. board effective November 3, 2008. Mr. Smith resigned from the board on May 1, 2009.

(8) Stephen Wetmore resigned as president and chief executive officer of Bell Aliant LP and as a Bell Aliant Holdings Inc. director effective November 3, 2008.

(9) Siim Vanaselja, Edward Reevey, Louis Tanguay and Victor Young are Fund trustees. Charles White was a Fund trustee and Bell Aliant Holdings Inc. director until his resignation on April 29, 2009.

Note: In this section, Bell Aliant has been defined as the Fund and its principal operating entities.

Fund trustees and board responsibilities

TRUSTEE, BOARD AND COMMITTEE MANDATES

The governance manual contains a 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 mandates of the board, the Fund trustees and for the audit, governance, management resources and compensation, and pension committees are included in the **Board, trustee and committee mandates** section, and are available in the governance section of Bell Aliant's website at www.bell.aliant.ca. The audit committee charter is attached as Schedule 2 of Bell Aliant Holdings LP's 2008 annual information form dated March 31, 2009, 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, lead independent director/trustee and the chief executive officer, on an annual basis.

STRATEGIC PLANNING PROCESS

Management is required to submit to the board an annual business and financial plan. The board undertakes a strategic planning process which considers, among other things, the opportunities and risks of the business and which informs the annual business and financial plan. Once approved, the board monitors performance against the annual business and financial plan at each board meeting. Overall strategic direction is described in Bell Aliant Holdings LP's management's discussion and analysis, as filed on an annual and quarterly basis, 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 annual management's 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 other senior executives, and acts in this regard 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 accurately 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's trustees, and for ensuring adequate procedures are in place for the review of Bell Aliant's disclosure of financial information.

Bell Aliant management also 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 (DC&P) and internal controls over financial reporting (ICFR). The committee is responsible for evaluating the design of both the DC&P and ICFR on a quarterly basis and evaluates the operating effectiveness annually.

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. 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 lead independent director of the board, committee chairs and the chief executive officer, and are included in the **Board, trustee and committee mandates** section. 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 president and chief executive officer's performance against these objectives.

Orientation and continuing education
DIRECTOR AND TRUSTEE ORIENTATION
The governance committee is responsible for reviewing, monitoring and making recommendations regarding new director and/or 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 of these sessions is determined based on interests and needs identified by directors/trustees and through discussion with the board and trustee chairs or lead independent director/trustee. The governance committee is also mandated to review and make recommendations regarding ongoing education of directors/trustees.

Ethical business conduct
CODE OF BUSINESS CONDUCT
The trustees and boards have adopted a code of ethical behaviour entitled **Living Our Corporate Values, Our Code of Business Conduct** (the "Code"). This document sets out a code of ethical business conduct that is to be followed by all Bell Aliant employees, officers, directors and trustees.

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. The Code is also available to all employees on Bell Aliant's intranet site. New directors and trustees are provided with a copy of the Code in their orientation materials.

The audit committee monitors compliance with this Code, and 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.

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.

CONFLICT OF INTEREST POLICY
The governance manual includes a conflict of interest policy for directors and trustees. Among other things, this policy addresses their responsibility to avoid conflicts of interest, and provides examples of conduct that may constitute a conflict of interest. This policy requires them to declare any conflict of interest relating to any business that comes before the board or trustees. The policy also requires that they refrain from voting on such a matter and, when appropriate, absent themselves from board discussion regarding the matter.

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.

Nomination of trustees and directors
GOVERNANCE COMMITTEE
The governance committee is composed of five external directors, three of whom are independent. Charles White resigned on April 29, 2009, leaving a vacancy on the committee. This committee is responsible for, among other things, making recommendations to the board and trustees, as applicable, regarding the nomination of persons for the office of director or trustee. Bell Aliant's director/trustee selection process is summarized here and outlined in more detail in the Governance section of Bell Aliant's website at www.bell.aliant.ca.

DIRECTOR/TRUSTEE SELECTION PROCESS
As of May 1, 2009, the Securityholders' Agreement provides that the Bell Aliant Holdings Inc. board shall consist of between nine (9) and fifteen (15) members. The size of the 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 for the Bell Aliant Holdings Inc. board is appropriate. Therefore, this year, unitholders will be asked to approve the appointment by the Fund trustees of four directors in addition to the five directors to be appointed by BCE. This is considered an efficient size and will allow for effective decision making. The Fund's Declaration of Trust provides that the number of Fund trustees shall be a minimum of three (3) and a maximum of twenty (20). The governance committee has concluded that the current number of four trustees is appropriate. Therefore, this year, unitholders will be asked to elect four 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 considers 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 assists 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 that includes: review of the strategic objectives of Bell Aliant; analysis of current skills, 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 lead independent director 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 in the **About the Fund** section, BCE and Bell Canada have certain rights with respect to the appointment of Bell Aliant Holdings Inc. directors and nomination of Fund trustees. BCE has complete discretion with respect to the exercise of these rights. The director/trustee selection process is subject to these rights.

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. This includes 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 for, each director and trustee nominee separately. In an uncontested election, any director or trustee nominee who receives a greater number of votes "withheld" than votes "for" shall, within 10 days of receiving the audited and final scrutineer's report, submit to the board or trustees as appropriate his or her resignation, which shall take effect only upon the acceptance 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 accept 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 therefore. 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. Charles White resigned on April 29, 2009, leaving a vacancy on the committee. This committee has a written mandate that establishes the committee's purpose, responsibilities, and membership. A copy of the mandate is included in the **Board, trustee and committee mandates** section.

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 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
- Establishing and administering 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 guidelines for named executive officers, can be found in the **Report on executive compensation** section. The management resources and compensation committee reviews executive compensation disclosure before it is publicly issued.

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 trustee/director compensation at comparable public trusts and companies. In 2008, Bell Aliant engaged Towers Perrin, professional compensation consultants, to provide an analysis of trustee/director compensation at similarly sized entities, as well as organizations in the telecommunications industry and other public entities, for benchmarking purposes. 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 **Compensation of trustees and directors** section.

Other committees

The pension committee of the Bell Aliant Holdings Inc. board is composed of three directors. Charles White resigned on April 29, 2009, leaving a vacancy on the committee. The function of this committee is described in its mandate, which is included in the **Board, trustee and committee mandates** section. Section 5.1 of NI 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 2008 annual information form dated March 31, 2009, which can be found at www.sedar.com. Following the filing of these documents, Charles White resigned from the audit committee on April 29, 2009.

Assessments

The governance committee is responsible for assessing the skills and competencies of the trustees, board and committees and the performance of each director/trustee on a yearly basis. 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 retainer $150,000) for the chair of the audit committee and an additional $90,000 (total retainer of $200,000) for the lead independent director (the "Total Annual Retainer"). Directors of Bell Aliant Holdings Inc. employed by the "Fund, its subsidiaries, BCE Inc. 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 agreed by Bell Aliant and Bell Canada. 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

A deferred unit plan for trustees and directors (the "Directors' DUP") was established effective January 2007, subject to receipt of a favourable advance tax ruling from the Canada Revenue Agency ("CRA"). To date, CRA has not issued a favourable advance tax ruling and such a ruling is not expected to be issued in the near future. Therefore, directors' fees deferred to the Directors' DUP in 2008 were paid in cash. In March 2009, the directors adopted a resolution that, in the absence of CRA approval, the Directors' DUP would be abandoned and that the compensation model for directors will be an all cash payment of the Total Annual Retainer.

2008 COMPENSATION

The following table outlines the compensation earned by each director in 2008.

Director	Annual retainer ($)
George Cope, Chair [1, 2]	0
Kevin Crull [1]	0
Robert Dexter	110,000
Lawson Hunter [1, 3]	0
Patrick Pichette [1, 3]	0
Edward Reevey [5]	150,000
Michael Sabia, Chair [1, 3]	0
Karen Sheriff [6]	0
Andrew Smith [4]	0
Louis Tanguay	110,000
Siim Vanaselja [1, 2]	0
David Wells [1, 2]	0
Stephen Wetmore [7]	0
Charles White, vice-chair and lead independent director [8]	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 agreed by Bell Aliant and Bell Canada.

(2) George Cope, Siim Vanaselja and David Wells were appointed to the Bell Aliant Holdings Inc. board on July 11, 2008.

(3) Lawson Hunter, Patrick Pichette and Michael Sabia resigned from the Bell Aliant Holdings Inc. board on July 11, 2008.

(4) Andrew Smith was appointed to the Bell Aliant Holdings Inc. board on November 3, 2008. Mr. Smith resigned from the board on May 1, 2009.

(5) Edward Reevey is chair of the audit committee.

(6) Karen Sheriff was chief operating officer of Bell Aliant Inc. from July 11, 2008, until her appointment as president and chief executive officer on November 3, 2008. Prior to this she was president, small and medium business, Bell Canada. Therefore, during 2008, Ms. Sheriff did not receive compensation in respect of her duties as a Bell Aliant Holdings Inc. director.

(7) Stephen Wetmore was president and chief executive officer of Bell Aliant Inc. and therefore did not receive compensation in respect of his duties as a Bell Aliant Holdings Inc. director. Mr. Wetmore resigned as president and chief executive officer and as a Bell Aliant Holdings Inc. director effective November 3, 2008.

(8) Mr. White resigned from the Bell Aliant Holdings Inc. board on April 29, 2009.

MINIMUM OWNERSHIP REQUIREMENTS

As part of its compensation model for directors, the Bell Aliant Holdings Inc. board established minimum ownership requirements effective in 2007. Directors were required to hold units and/or deferred units with a minimum combined market value of $250,000 within three years. These ownership requirements were established based on the Directors' DUP, which was intended to facilitate ownership of units by directors. The Directors' DUP has not taken effect because a favourable advance tax ruling from CRA has not been received; as a result, the directors adopted a resolution in March 2009 confirming current compensation levels and minimum ownership requirements for new directors, including a three year period for directors to meet ownership requirements, and requiring current directors to meet the minimum ownership requirements by December 31, 2010. Directors who are employed by the Fund, its subsidiaries, BCE or Bell Canada do not receive compensation and those directors are therefore not required to meet unit ownership requirements. Karen Sheriff was appointed chief operating officer of Bell Aliant Inc. on July 11, 2008, and was subsequently appointed president and chief executive officer of Bell Aliant Inc. effective November 3, 2008. Prior to this, Ms. Sheriff was president, small and medium business of Bell Canada at which time she was not required to meet minimum ownership requirements. As president and chief operating officer of Bell Aliant Inc., Ms. Sheriff is subject to a minimum ownership requirement of Fund units equal to four times her base salary. Fund unit ownership requirements for Ms. Sheriff can be found in the **Report on executive compensation** section.

The following table shows each director's minimum ownership requirements as well as the number of Fund units held as at December 31, 2008, 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, 2008 ($23.55).

		Total units held by directors as at December 31, 2008	
Director	Unit ownership requirement (must be met by December 31, 2010) ($)	Fund units (#)	Total value of Fund units ($)
George Cope [1]	NA	11,263	265,244
Kevin Crull [1]	NA	220	5,181
Robert Dexter [2]	250,000	1,814	42,720
Edward Reevey [2]	250,000	37,963	894,029
Karen Sheriff [3]	See footnote 3	19,639 [4]	462,498 [4]
Andrew Smith [1]	NA	38	895
Louis Tanguay [2]	250,000	23,081	543,558
Siim Vanaselja [1]	NA	613	14,436
David Wells [1]	NA	33	777
Charles White [2]	250,000	11,573	272,544
Victor Young [2]	250,000	5,500	129,525

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 Aliant and Bell Canada.

(2) Robert Dexter, Edward Reevey, Louis Tanguay, Charles White and Victor Young were all participants in the Directors' DUP. Mr. White resigned from the Bell Aliant Holdings Inc. board on April 29, 2009. Had the Directors DUP been approved as expected by Bell Aliant's advisors effective January 1, 2007, deferred units that had been accruing under the plan and which were counted towards the minimum ownership guidelines would have enabled all directors required to meet ownership guidelines to have done so by December 31, 2008. Since the Directors' DUP did not receive CRA approval, no units have been issued under the Directors' DUP. Directors' compensation will now be paid in cash and directors will be required to purchase Fund units to meet ownership guidelines.

(3) Karen Sheriff, being an employee of Bell Aliant Inc., participates in the executive DUP. Executive ownership requirements apply as noted above in the section titled Minimum ownership requirements. For further information refer to the Report on executive compensation section.

(4) This number includes 540 Fund units and 19,099 deferred units. For further details on the executive DUP ownership guidelines applicable to Karen Sheriff and her executive DUP holdings, please refer to the Report on executive compensation section.

Other important information

INDEBTEDNESS OF TRUSTEES, DIRECTORS AND SENIOR LEADERS

Bell Aliant Holdings Inc. has a policy prohibiting loans to trustees, directors and officers. In 2008, 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 trustee or director nominee, or any associate or affiliate of any such person. No trustee, director, officer, proposed trustee or director nominee, or any person associated or affiliated with such persons 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 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, including Bell Aliant, against liability incurred by them in their capacity as trustees, directors and officers. Following our conversion to an income trust it was necessary to purchase additional coverage, and in 2008 our policy was changed to provide coverage enhancements while maintaining costs. This additional coverage responds to claims where trustees, directors and officers cannot be indemnified by Bell Aliant or its subsidiaries.

In 2008, 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 $489,000.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth below or elsewhere in this information circular and in note 24 to the consolidated financial statements of Bell Aliant Holdings LP for the year ended December 31, 2008, which notes are incorporated by reference and are available as set out in the **Additional information** section, 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.

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 31, 2009;
- The most recently filed comparative consolidated financial statements of the Fund and Bell Aliant Holdings LP, together with the management's 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, 2008, is provided in the Fund's consolidated financial statements for the period ended December 31, 2008, and management's 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 supervising 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 Directors, 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 for senior executives or any changes thereto 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; and
   b. appointing, or removing, the custodian, trustee, or investment manager(s) for Bell Aliant's pension plans and fund(s);
6. Satisfying itself as to the integrity of the 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, other Officers, 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, other Officers 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 Secretariat 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 Secretariat, review the meeting agendas to ensure all required business is brought before the Board to enable it to efficiently carry out its duties and responsibilities;
   4. Ensure, in consultation with the Chairs of the Committees of the Board, that all items requiring Board and Committee approval are appropriately tabled;
   5. Ensure the proper flow of information to the Board and review, with the Chief Executive Officer and the Secretariat, 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 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; and
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.
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 Secretariat, 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 Secretariat, 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 Secretariat, 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 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; and
G. Bell Aliant's environmental risks.

In this charter, references to the "Board and Trustees" refers to the board of directors of Bell Aliant Regional Communications Holdings Inc., Bell Aliant Regional Communications Inc., Bell Aliant Holdings Trust and 6583458 Canada Inc. and to the trustees of Bell Aliant Regional Communications Income Fund (the "Fund"), as applicable.

II. Duties and Responsibilities

The Audit Committee shall perform the functions customarily performed by audit committees and any other functions assigned by the Board 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 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;
      b. any audit problems or difficulties and management's response thereto, including any restrictions on the scope of the activities of the external auditor or access to requested information and any significant disagreements with management.

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

B. OVERSIGHT OF THE EXTERNAL AUDITOR
   1. Be directly responsible for the oversight of the work of the external auditor and any other auditor preparing or issuing an audit report or performing other audit review or attest services for Bell Aliant or any consolidated subsidiary of Bell Aliant, where required and review, report and where appropriate, provide recommendations to the Board and Trustees, as applicable, on the nomination, terms and review of engagement, removal, independence and proposed compensation of the external auditor.
   2. Approve in advance all audit, review or attest engagement fees and terms for all audit, review or attest services to be provided by the external auditor to Bell Aliant and any consolidated subsidiary and any other auditor preparing or issuing an audit report or performing other audit review or attest services for Bell Aliant or any consolidated subsidiary of Bell Aliant, where required.

3. Pre-approve all engagements for permitted non-audit services provided by the external auditor to Bell Aliant and any consolidated subsidiary of Bell Aliant and to this effect may establish policies and procedures for the engagement of the external auditor to provide to Bell Aliant and any consolidated subsidiary of Bell Aliant permitted non-audit services.
4. Delegate, if deemed appropriate, authority to one or more members of the Audit Committee to grant pre-approvals of audit, review or attest services and permitted non-audit services, provided that any such approvals shall be presented to the Audit Committee at its next scheduled meeting.
5. Establish policies for the hiring of partners, employees and former partners and employees of the external auditor.
6. At least annually, consider, assess, and report to the Board 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 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 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 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 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 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 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 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 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.

G. 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 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.

H. 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 and Trustees

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

VI. Audit Committee Chair

The Chair of the Audit Committee shall be appointed by the Board 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 Secretariat, 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 Secretariat 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 Secretariat and, as required, other senior executives, the adequacy and timing of materials in support of management's proposals;
H. Report to the Board 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 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 or Trustees.

VII. Term

The members of the Audit Committee shall be appointed or changed by resolution of the Board 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, 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 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 and Trustees, as applicable, as appropriate.

GOVERNANCE COMMITTEE CHARTER

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

A. developing and implementing Bell Aliant's governance guidelines;
B. identifying individuals qualified to become Directors and Trustees;
C. determining the composition of the Board, 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.

In this charter, references to the "Board of Directors" refers to the board of directors of Bell Aliant Regional Communications Holdings Inc., Bell Aliant Regional Communications Inc., Bell Aliant holdings Trust and 6583458 Canada Inc. and to the trustees of Bell Aliant Regional Communications Income Fund, as applicable.

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

A. GOVERNANCE
   1. Report to the Board 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 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 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 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 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 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 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 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 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 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, Fund Trustees, their Chairs and the Lead Independent Director; (ii) the Committees of the Board and their respective Chairs, and (iii) themselves as a member of the Board; and review with the Board 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 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 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, in accordance with applicable laws, rules and regulations.

VI. Governance Committee Chair

The Chair of the Governance Committee shall be appointed by the Board 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;

A. 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;
B. Chair meetings of the Governance Committee;
C. In consultation with the Chief Executive Officer, the Secretariat, the Board and Trustee Chairs, as applicable, and the Lead Independent Director, determine the frequency, dates and locations of meetings of the Governance Committee;
D. In consultation with the Chief Executive Officer, the Secretariat and, as required, other senior executives, review the meeting agendas to ensure all required business is brought before the Governance Committee to enable it to efficiently carry out its duties and responsibilities;
E. 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;
F. Ensure the proper flow of information to the Governance Committee and review, with the Chief Executive Officer, the Secretariat and, as required, other senior executives, the adequacy and timing of materials in support of management's proposals;
G. Report to the Board 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 or Trustees, as applicable, following any meeting of the Governance Committee; and
H. Carry out any special assignments or any functions as requested by the Board or Trustees, as applicable.

VII. Term

The members of the Governance Committee shall be appointed or changed by resolution of the Board 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, 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 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 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 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.

In this charter, references to the "Board and Trustees" refers to the directors of Bell Aliant Regional Communications Holdings Inc., Bell Aliant Regional Communications Inc., Bell Aliant Holdings Trust and 6583458 Canada Inc. and to the trustees of Bell Aliant Regional Communications Income Fund, as applicable.

II. Duties and Responsibilities
The Management Resources and Compensation Committee shall perform the functions customarily performed by compensation committees and any other functions assigned by the Board 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 the appointment of the Chief Executive Officer (subject to 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 at least once each year.
   3. Review and assess annually, in conjunction with the Board, 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 on these assessments.
B. COMPENSATION
   1. Oversee and recommend for approval by the Board 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 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 and Trustees, as applicable.
9. Review Bell Aliant's annual report on executive compensation and/or compensation discussion and analysis for inclusion in public disclosure documents, in accordance with applicable rules and regulations.
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 and Trustees, as applicable, 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 and Trustees, as applicable.

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

A. The Management Resources and Compensation Committee shall evaluate and review with the Governance Committee of the Board 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 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 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 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 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 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 Secretariat, 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 Secretariat and, as required, other senior executives, review the meeting agendas to ensure all required business is brought before the Management Resources and Compensation Committee to enable it to efficiently carry out its duties and responsibilities;
F. Ensure, in consultation with the Board 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 Secretariat 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 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 or Trustees.

VII. Term

The members of the Management Resources and Compensation Committee shall be appointed or changed by resolution of the Board 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, 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 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 and Trustees as appropriate.

PENSION COMMITTEE CHARTER

I. Purpose
The purpose of the Pension Committee is to assist the Board in its oversight responsibilities related to:
A. the administration, funding and investment of Bell Aliant's pension plans (the "Plans") and trust funds (the "Funds"); and
B. any unitized pooled funds sponsored by Bell Aliant for the collective investment of the assets of the Plans (i.e. "Master Trust Fund(s)").

In this charter, the "Board" refers to the board of directors of Bell Aliant Regional Communications Holdings Inc., Bell Aliant Regional Communications, Inc., Bell Aliant Holdings Trust and 6583458 Canada Inc.

II. Duties and Responsibilities
The Pension Committee shall perform the functions customarily performed by pension committees and any other functions assigned by the Board. In particular, the Pension Committee shall have the following duties and responsibilities:
A. ESTABLISHMENT OF STRATEGY AND POLICIES
   1. Review any proposed change in Bell Aliant's Plans and in particular, the impact on the Plans' liabilities and funding of proposed changes to benefits under the Plans and advise the Board thereon.
   2. Approve long-term funding objectives in relation to the Plans' liabilities.
   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, on an annual basis, the performance of the Pension Committee.
B. The Pension Committee shall review and discuss with the Governance Committee of the Board, on an annual basis, the appropriateness of the Pension Committee charter.
C. The Pension Committee shall report to the Board periodically on the Pension Committee's activities.

IV. Outside advisors

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

V. Membership

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

VI. Pension Committee Chair

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

A. Provide leadership to enable the Pension Committee to act effectively in carrying out its duties and responsibilities as described elsewhere in this Charter and as otherwise may be appropriate;
B. In consultation with the Board Chair, the Lead Independent Director and the Chief Executive Officer, 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 Secretariat, 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 Secretariat and, as required, other senior executives, review the meeting agendas to ensure all required business is brought before the Pension Committee to enable it to efficiently carry out its duties and responsibilities;
F. Ensure, in consultation with the Board Chair and Lead Independent Director, that all items requiring the Pension Committee's approval are appropriately tabled;
G. Ensure the proper flow of information to the Pension Committee and review, with the Chief Executive Officer, the Secretariat and, as required, other senior executives, the adequacy and timing of materials in support of management's proposals;
H. Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Pension Committee at the next meeting of the Board of Directors following any meeting of the Pension Committee; and
I. Carry out any special assignments or any functions as requested by the Board.

VII. Term

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

XII. Records

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

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.

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Annual meeting
Friday, June 5, 2009, at 10:00 a.m. Atlantic

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

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Bell Aliant