

THE SECURITIES ACT

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Order No. 4048

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Section 20

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February 11, 2003

BCE INC.

WHEREAS:

(A) BCE Inc. has applied to The Manitoba Securities Commission ("Commission") for an order under subsection 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 ("Act") for an exemption from the registration and prospectus requirements of sections 6 and 37 of the Act for trades made during automatic conversions of preferred shares of BCE Inc. from one series to another when certain events happen;

(B) BCE Inc. has represented to the Commission that:

1. BCE Inc. was incorporated in 1970 and continued under the *Canada Business Corporations Act* in 1979 and has its principal and registered offices at 1000 de La Gauchetière Street West, Suite 3700, Montréal, Québec H3B 4Y7;

2. BCE Inc.'s authorized capital consists of an unlimited number of common shares, an unlimited number of Class B Shares, an unlimited number of First Preferred Shares issuable in series, and an unlimited number of Second Preferred Shares issuable in series, all without nominal or par value;

3. BCE Inc. is a reporting issuer under the Act;

4. BCE Inc. is eligible to make use of the Short Form Prospectus Distribution System pursuant to National Instrument 44-101 (the "Short Form Prospectus System");

5. BCE Inc. is offering, under a short form prospectus (the "Prospectus"), up to 20,000,000 Cumulative Redeemable First Preferred Shares, Series AC (the "Series AC Preferred Shares") at a price per share to be determined;

6. the Series AC Preferred Shares will be convertible into Cumulative Redeemable First Preferred Shares, Series AD (the "Series AD Preferred Shares") and the Series AD Preferred Shares will be convertible into Series AC Preferred Shares, at the option of the holders, subject to the following:

(a) holders of the Series AC Preferred Shares and holders of the Series AD Preferred Shares will have the right, at their option, on certain specified dates (a "Series AC Conversion Date" or a "Series AD Conversion Date", as the case may be), to convert,

subject to the terms and conditions attaching to such shares, all or any Series AC Preferred Shares or Series AD Preferred Shares registered in their names into Series AD Preferred Shares or Series AC Preferred Shares, as the case may be, on a one-for-one basis;

(b) the conversion of Series AC Preferred Shares or Series AD Preferred Shares may be effected by surrender of the certificate(s) representing the shares not earlier than forty-five (45) days prior to a Series AC Conversion Date or a Series AD Conversion Date, as the case may be, but not later than the close of business on the tenth day preceding a Series AC Conversion Date or a Series AD Conversion Date;

(c) holders of Series AC Preferred Shares and Series AD Preferred Shares will not be entitled to convert their shares if, following the close of business on the tenth day preceding a Series AC Conversion Date or a Series AD Conversion Date, BCE Inc. determines that there would remain outstanding on such date less than a specified number of Series AD Preferred Shares, or Series AC Preferred Shares, as the case may be, after having taken into account all Series AC Preferred Shares or Series AD Preferred Shares tendered for conversion (the minimum number of Series AC or Series AD Preferred Shares);

(d) if following the close of business on the tenth day preceding a Series AC Conversion Date or a Series AD Conversion Date, BCE Inc. determines that there would remain outstanding less than the minimum number of Series AC or Series AD Preferred Shares, all of the remaining outstanding Series AC Preferred Shares or Series AD Preferred Shares, as the case may be, will automatically be converted into Series AC Preferred Shares or Series AD Preferred Shares, as the case may be, on a one-for-one basis;

7. the conversion of the Series AC Preferred Shares into Series AD Preferred Shares at the option of the holders of the Series AC Preferred Shares and the conversion of the Series AD Preferred Shares into Series AC Preferred Shares at the option of the holders of Series AD Preferred Shares, including the circumstances where automatic conversions will occur are described in the Prospectus;

8. no exemptions are available under the Act for the automatic conversion of the Series AC Preferred Shares into Series AD Preferred Shares or for the automatic conversion of Series AD Preferred Shares into Series AC Preferred Shares;

(C) In view of the foregoing, I am of the opinion that it would not be prejudicial to the public interest to issue this Order.

I HEREBY ORDER, pursuant to a delegation to me by the Commission under subsection 4(1) of the Act of the powers in that behalf.

1. THAT, pursuant to subsection 20(1) of the Act, trades in Series AD Preferred Shares upon the automatic conversion of the Series AC Preferred Shares and trades in Series AC Preferred Shares upon the automatic conversion of the Series AD Preferred Shares are exempt from the registration and prospectus requirements of section 6 and 37 of the Act, provided that no commission or other remuneration is paid or given to any person in respect of such trades, except for ministerial or professional services or for services performed by a person or company registered for trading in securities under this Act; and

2. THAT, the fee for this order is \$1,000.00.

BY ORDER OF THE COMMISSION

Director - Legal