

THE SECURITIES ACT) Order No. 2744
)
Subsection 20(1)) December 24th, 1999

BELL CANADA

WHEREAS:

(A) Bell Canada has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of the *Securities Act*, R.S.M. 1988, c. S50 (the "Act"), that the issuance of certain convertible preferred shares of Bell Canada upon the automatic conversion of other convertible preferred shares of Bell Canada under the terms attaching to such shares be exempt from sections 6 and 37 of the Act;

(B) It has been represented to the Commission by Bell Canada that:

1. Bell Canada was incorporated by special act of the Parliament of Canada in 1880 and was continued under the *Canada Business Corporations Act*. Bell Canada's registered office is located at 1050, c□□du Beaver Hall, Montr灒, Qu灒c H2Z 1S4 and its principal executive offices are located at 1000, rue de La Gaucheti航 Ouest, bureau 3700, Montr灒, Qu灒c H3B 4Y7.
2. The authorized capital of Bell Canada consists of an unlimited number of common shares and an unlimited number of Class A Preferred Shares issuable in series, all without nominal or par value.
3. Bell Canada is subject to the continuous disclosure requirements of the Act and is not in default of any requirement of the Act or the Regulation made thereunder.
4. Bell Canada is eligible to make use of the Prompt Offering Qualification System pursuant to National Policy Statement No. 47 (the "POP System").
5. Bell Canada is proposing to offer, pursuant to a short form prospectus (the "Prospectus"), 16,000,000 Cumulative Redeemable Class A Preferred Shares, Series 15 ("Series 15 Preferred Shares") at a price of \$25.00 per share. The Prospectus contains all the necessary disclosure in respect of both the Series 15 Preferred Shares and the 16,000,000 Cumulative Redeemable Class A Preferred Shares, Series 16 ("Series 16 Preferred Shares") into which the Series 15 Preferred Shares are convertible. The Prospectus has been filed in all provinces of Canada. Expedited review of the preliminary short form prospectus has been sought and Qu灒c was the designated jurisdiction.

6. The Series 15 Preferred Shares will be convertible into the Series 16 Preferred Shares and the Series 16 Preferred Shares will be convertible into the Series 15 Preferred Shares, in each case at the option of the holders thereof.

7. Holders of Series 15 Preferred Shares shall have the right, at their option, on February 1, 2005 and on February 1 in every fifth year thereafter (a "Series 15 Conversion Date"), to convert, subject to the terms and conditions attaching to such shares, all or any Series 15 Preferred Shares registered in their names into Series 16 Preferred Shares of Bell Canada on the basis of one Series 16 Preferred Share for each Series 15 Preferred Share. The conversion of Series 15 Preferred Shares may be effected by surrender of the certificate(s) representing the same not earlier than 45 days prior to a Conversion Date but not later than the close of business on the 14th day preceding a Conversion Date. If, following the close of business on the 14th day preceding a Conversion Date, Bell Canada determines that there would remain outstanding on a Conversion Date less than 1,000,000 Series 15 Preferred Shares after having taken into account all Series 15 Preferred Shares tendered for conversion into Series 16 Preferred Shares and all Series 16 Preferred Shares tendered for conversion into Series 15 Preferred Shares, then, all, but not part, of the remaining outstanding Series 15 Preferred Shares shall automatically be converted into Series 16 Preferred Shares on the basis of one Series 16 Preferred Share for each Series 15 Preferred Share on the applicable Conversion Date and Bell Canada shall give notice in writing thereof to the holders of such remaining Series 15 Preferred Shares at least seven (7) days prior to a Conversion Date.

8. Similarly, holders of Series 16 Preferred Shares shall have the right, at their option, on February 1, 2010 and on February 1 in every fifth year thereafter (a "Series 16 Conversion Date"), to convert, subject to the terms and conditions attaching to such shares, all or any Series 16 Preferred Shares registered in their names into Series 15 Preferred Shares of Bell Canada on the basis of one Series 15 Preferred Share for each Series 16 Preferred Share. The conversion of Series 16 Preferred Shares may be effected by surrender of the certificate(s) representing the same not earlier than 45 days prior to a Conversion Date but no later than the close of business on the 14th day preceding a Conversion Date. If, following the close of business on the 14th day preceding a Conversion Date, Bell Canada determines that there would remain outstanding on a Conversion Date less than 1,000,000 Series 16 Preferred Shares after having taken into account all Series 16 Preferred Shares tendered for conversion into Series 15 Preferred Shares and all Series 15 Preferred Shares tendered for conversion into Series 16 Preferred Shares, then, all, but not part, of the remaining outstanding Series 16 Preferred Shares shall automatically be converted into Series 15 Preferred Shares on the basis of one Series 15 Preferred Share for each Series 16 Preferred Share on the applicable Conversion Date and Bell Canada shall give notice in writing thereof to the holders of such remaining Series 16 Preferred Shares at least seven (7) days prior to a Conversion Date.

9. No exemptions are available under the Act for the automatic conversion of Series 15 Preferred Shares into Series 16 Preferred Shares in the event that on a Series 15 Conversion Date less than 1,000,000 Series 15 Preferred Shares would remain outstanding or for the automatic conversion of Series 16 Preferred Shares into Series 15 Preferred Shares in the event that on a Series 16 Conversion Date less than 1,000,000 Series 16 Preferred Shares would remain outstanding (the "Automatic Conversion").

(C) In the opinion of the Commission it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. THAT, pursuant to subsection 20(1) of the Act, the trades in connection with Automatic Conversion are exempt from sections 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 the Act.

2. THAT the fee for this order shall be \$650.00.

BY ORDER OF THE COMMISSION

Director – Legal