

THE SECURITIES ACT

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Order No. 3648

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Section 20

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February 5, 2002

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 AA (Series AA Preferred Shares) at a price per share to be determined;
6. the Series AA Preferred Shares will be convertible into Series AB Preferred Shares and the Series AB Preferred Shares will be convertible into Series AA Preferred Shares, at the option of the holders, subject to the following:
 - (a) holders of the Series AA Preferred Shares and holders of the Series AB Preferred Shares will have the right, at their option, on certain specified dates (a Series AA Conversion Date or a Series AB Conversion Date), to convert, subject to the terms and conditions attaching to such shares, all or any Series AA Preferred

Shares or Series AB Preferred Shares registered in their names into Series AB Preferred Shares or Series AA Preferred Shares, as the case may be, on a one-for-one basis;

(b) the conversion of Series AA Preferred Shares or Series AB 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 AA Conversion Date or a Series AB Conversion Date, as the case may be, but not later than the close of business on the tenth day preceding a Series AA Conversion Date or a Series AB Conversion Date;

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

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

7. the conversion of the Series AA Preferred Shares into Series AB Preferred Shares at the option of the holders of the Series AA Preferred Shares and the conversion of the Series AB Preferred Shares into Series AA Preferred Shares at the option of the holders of Series AB 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 AA Preferred Shares into Series AB Preferred Shares or for the automatic conversion of Series AB Preferred Shares into Series AA Preferred Shares;

(C) The Commission is satisfied in the circumstances of this particular case that 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, trades in Series AB Preferred Shares upon the automatic conversion of the Series AA Preferred Shares and trades in Series AA Preferred Shares upon the automatic conversion of the Series AB Preferred Shares are exempt from the registration and prospectus requirements of section 6 and 37 of the Act; and
2. THAT, the fee for this order is \$1,000.00.

BY ORDER OF THE COMMISSION

Deputy Director - Legal