

March 30, 2017

In the Matter of
the Securities Legislation of
Manitoba and Ontario (the “**Jurisdictions**”)
and
In the Matter of
the Process for Cease to be a Reporting Issuer Applications
and
In the Matter of Manitoba Telecom Services Inc. (the “**Filer**”)

Order

Background

The securities regulatory authority or regulator in each of the Jurisdictions (“**Decision Maker**”) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the “**Legislation**”) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the “**Order Sought**”).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the Manitoba Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that section 4C.5(1) of Multilateral Instrument 11-102 – *Passport System* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, and
- (c) the order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 - *Definitions* have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. The Filer is a corporation governed by *The Corporations Act* (Manitoba) (the “**Act**”) with its registered office located at 333 Main Street, Room MP 19A, P.O. Box 6666, Winnipeg, Manitoba, R3C 3V6.

2. On March 17, 2017, BCE Inc. ("**BCE**"), through its wholly-owned subsidiary Bell Canada acquired all of the issued and outstanding common shares of the Filer ("**Common Shares**") by way of statutory plan of arrangement under Section 185 of the Act (the "**Arrangement**").
3. The Filer has the following outstanding medium term notes issued pursuant to (i) a trust indenture between the Filer and Montreal Trust Company of Canada (now Computershare Trust Company of Canada) dated May 1, 2001, as supplemented (the "**2001 Indenture**") and (ii) a trust indenture between the Filer and Computershare Trust Company of Canada dated August 20, 2011 (the "**2011 Indenture**", collectively with the 2001 Indenture, the "**Indentures**"):
 - (i) \$200,000,000 principal amount of 5.625% medium term notes (Series 8) due December 16, 2019 issued pursuant to the 2001 Indenture (the "**Series 8 Notes**");
 - (ii) \$200,000,000 principal amount of 4.59% notes (Series 9) due October 1, 2018 issued pursuant to the 2011 Indenture (the "**Series 9 Notes**"); and
 - (iii) \$225,000,000 principal amount of 4.00% medium-term notes (Series 10) due May 27, 2024 issued pursuant to the 2011 Indenture (the "**Series 10 Notes**", collectively with the Series 8 Notes and the Series 9 Notes, the "**Notes**").
4. The sole registered holder of the Notes is the Canadian Depository for Securities Limited. Based upon a report provided by Broadridge, as at March 17, 2017, the Series 8 Notes, the Series 9 Notes and the Series 10 Notes were beneficially held by 3,025, 1,458 and 1,299 holders resident in Canada, respectively
5. The Common Shares were delisted from the Toronto Stock Exchange on March 20, 2017.
6. On March 27, 2017, a series of transactions involving the Filer were completed which resulted in, amongst other things, (i) BCE owning all of the Common Shares and Bell Canada, a wholly-owned subsidiary of BCE, owning all of the preferred shares of the Filer; (ii) the Filer owning common shares of Bell Canada representing less than 10% of its issued and outstanding common shares; and (iii) Bell Canada acquiring substantially all of the assets of the Filer and, through a supplement to each of the Indentures, assuming certain obligations and liabilities of the Filer, including the Filer's obligations and liabilities under the Notes, and BCE guaranteeing the obligations of Bell Canada and the Filer under the Notes (the "**Post-Closing Transactions**").
7. Following the Post-Closing Transactions, all of the outstanding equity securities of the Filer are held by BCE, which holds all of the outstanding Common Shares, and Bell Canada, which holds all of the outstanding preferred shares of the Filer, and the Notes are only outstanding debt securities of the Filer.
8. Under the terms of the Indentures, upon the completion of the Post-Closing Transactions, the Filer was entitled to be released from its obligations in respect of the Notes. However, the Filer agreed to continue to be bound as a co-borrower under the Notes along with Bell Canada to avoid potentially adverse tax consequences on the holders of the Notes.

9. Under an asset transfer agreement pursuant to which Bell Canada acquired substantially all of the assets of the Filer and assumed the Filer's obligations and liabilities under the Notes, Bell Canada made an undertaking in favour of the Filer to (i) pay punctually when due the principal of, and interest, if any, on and all other amounts owing under, the Notes; (ii) perform and observe punctually all the obligations of the Filer under the Indentures and under and in respect of the Notes; and (iii) observe and perform each and every covenant, stipulation, promise, undertaking, condition and agreement of the Filer contained in the Indentures as if it had itself executed the Indentures as the Filer and had expressly agreed to observe and perform the same.
10. The Indentures do not contain a provision requiring the Filer to maintain its status as a reporting issuer.
11. Pursuant to a supplement to each of the Indentures (collectively, the "**Supplements**") entered into as part of the Post-Closing Transactions, the Filer was released from certain covenants under the Indentures, including limitation on liens and debt restriction covenants and the requirement to provide financial information to holders of the Notes. Those covenants and all other obligations under the Notes and the Indentures (as amended by the Supplements in accordance with the Indentures) were assumed by Bell Canada as the Filer's assign under the Indentures.
12. Bell Canada is a reporting issuer in each of the provinces of Canada. It qualifies under the credit support issuer exemption and satisfies the conditions under subsection 13.4(2) of NI 51-102 (the "**Credit Support Issuer Exemption**"). In particular, but without limitation:
 - (i) Bell Canada does not have any securities outstanding other than (i) common shares held by BCE and, following the Post-Closing Transactions, the Filer, (ii) non-convertible debt securities which are "designated credit support securities" as defined in Section 13.4 of NI 51-102, and (iii) certain commercial paper representing "designated credit support securities" as defined in Section 13.4 of NI 51-102;
 - (ii) BCE is a reporting issuer in all of the provinces of Canada and has filed all documents it is required to file under NI 51-102;
 - (iii) Bell Canada files in electronic format a notice indicating that it is relying on the continuous disclosure documents filed by BCE and setting out where those documents can be found for viewing in electronic format;
 - (iv) Bell Canada files with such notice in electronic format, for the periods covered by the consolidated interim financial report or consolidated annual financial statements of BCE filed, consolidating summary financial information for BCE presented with a separate column for (a) BCE, (b) Bell Canada, (c) any other subsidiaries of BCE other than Bell Canada, (d) consolidating adjustments, and (e) total consolidated amounts;
13. BCE is a reporting issuer in each of the provinces of Canada and is not in default of any of its obligations under the securities legislation of such provinces. BCE common shares (each such common share, a "**BCE Share**") are listed on the Toronto Stock Exchange and the New York Stock Exchange under symbol "BCE".

14. The Filer meets the criteria set forth in Section 19(a), (c) and (d) of National Policy 11-206 – *Process for Cease to be a Reporting Issuer Applications* (“NP 11-206”) as follows:
- (i) the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
 - (ii) following the Post-Closing Transactions, the Filer’s securities, including debt securities, will not be traded in Canada or another country on a marketplace or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported; and
 - (iii) the Filer is not in default of securities legislation in any jurisdiction where it is a reporting issuer.
15. The Filer does not meet the criterion in Section 19(b) of NP 11-206 because, as noted in paragraph 4 above, it is not the case that the Notes are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide.
16. Upon the grant of the Order Sought, the Filer will no longer be a reporting issuer in any jurisdiction in Canada.

Order

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.



Name: Chris Besko
Title: Director
The Manitoba Securities Commission