

## TAX INSTRUCTION LETTER

January 5, 2018

TO: Eligible Holders<sup>1</sup> who hold Common Shares of AlarmForce Industries Inc. (“**AlarmForce**”) (“**Former AlarmForce Shareholder**”)

FROM: BCE Inc. (“**BCE**”)

RE: Tax Instruction Letter for Former AlarmForce Shareholders who wish to file a Joint Tax Election concerning the Offer to purchase all of the issued and outstanding Common Shares of AlarmForce

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Dear Former AlarmForce Shareholder,

The purpose of this **Tax Instruction Letter** is to describe the process for you to submit the information required to produce the Joint Tax Election allowing you to defer all or a portion of the tax arising from the disposition of your AlarmForce Common Shares pursuant to the Plan of Arrangement as described in the Company Circular dated November 17, 2017.

A Joint Tax Election may be made by a Former AlarmForce Shareholder, subject to the limitations set out in subsections 85(1) and 85(2) of the *Income Tax Act* (Canada) (the “**Tax Act**”). All references to such Joint Tax Election should be understood to include, where applicable, the corresponding Joint Tax Election under the *Taxation Act* (Québec) (the “**Québec Act**”) unless otherwise specified.

Unless otherwise noted, all defined terms in this Tax Instruction Letter have the meaning as set out in the Company Circular.

**Please review this Tax Instruction Letter very carefully and consult your tax advisor as to the proper completion and delivery of the Joint Tax Election Information to BCE (or its agents) and the applicable deadlines. The information provided herein and in the Company Circular with respect to such Joint Tax Elections is provided for general assistance only, may not be exhaustive and is not intended to be, nor should it be construed as, legal or tax advice to any particular Former AlarmForce Shareholder. The law in this area is complex and contains numerous technical requirements not addressed in this Tax Instruction Letter.**

**Furthermore, apart from providing this Tax Instruction Letter and enclosure(s) to a Former AlarmForce Shareholder for their convenience, none of BCE, AlarmForce, the Depository, or any of the appointed agents or representatives assisting with the Joint Tax Election**

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<sup>1</sup> As further described in the NOTICE OF SPECIAL MEETING OF SHAREHOLDERS AND MANAGEMENT INFORMATION CIRCULAR (the “**Company Circular**”), dated November 17, 2017, “**Eligible Holder**” means a beneficial holder of AlarmForce Common Shares or HoldCo Shares that is: (a) resident in Canada for the purposes of the Tax Act and not exempt from tax under Part I of the Tax Act; or (b) a partnership, any member of which is a resident of Canada for the purposes of the Tax Act that is not exempt from tax under Part I of the Tax Act

process and technology, any of the other members of BCE, nor any affiliate or successor of any such entity will provide a Former AlarmForce Shareholder with any advice on making a Joint Tax Election. Accordingly, Former AlarmForce Shareholders should consult with their own tax advisors for specific advice in respect of whether or not to make a Joint Tax Election, and how to comply with the requirements for making such Joint Tax Election having regard to their own particular circumstances.

## 1. CANADIAN TAX TREATMENT OF THE ARRANGEMENT

The purpose of making a Joint Tax Election is to permit certain Former AlarmForce Shareholders to fully or partially defer the tax on any capital gain realized from the disposition of their AlarmForce Common Shares.

Please refer to the Company Circular for a summary of the principal Canadian federal income tax considerations generally applicable to a Former AlarmForce Shareholder, subject to the qualifications and limitations set out therein.

**Generally, it is to your advantage to make the Joint Tax Election. However, you should seek professional advice, if necessary, to determine whether making the Joint Tax Election is appropriate, considering your particular facts and circumstances. If you do not make the election, the disposition of your AlarmForce Common Shares pursuant to the Arrangement could trigger adverse tax consequences for the 2018 taxation year.**

## 2. EXECUTION AND DELIVERY OF A JOINT TAX ELECTION

A Joint Tax Election may be made by a Former AlarmForce Shareholder on the condition that complete information is provided (“**Joint Tax Election Information**”). **For the Joint Tax Election to be filed with the tax authorities in a timely manner<sup>2</sup>, the deadline for providing the Joint Tax Election Information to BCE is 90 days after the day on which the disposition of the AlarmForce Common Shares (the “Effective Date”) is completed by the Former AlarmForce Shareholder (the “Joint Tax Election Information Submission Deadline”).**

The Effective Date is January 5, 2018. Accordingly, the Joint Tax Election Information Submission Deadline will be April 5, 2018. BCE issued a public press release on January 5, 2018, which it published on the BCE website and on a secure website established by BCE specifically to assist with the Joint Tax Election process (the “**Joint Tax Election Website**”). The Joint Tax Election Website can be found at <https://www.taxelection.ca/alarmforce>.

**If the Joint Tax Election Information for a Former AlarmForce Shareholder is not received by BCE by the Joint Tax Election Information Submission Deadline and in accordance with the procedures set out in this Tax Instruction Letter, BCE will have no obligation to make a Joint Tax Election with such Former AlarmForce Shareholder and therefore, the Former AlarmForce Shareholder may not benefit from a full or partial deferral pursuant to the provisions of the Tax Act and, if applicable, the corresponding provisions of the Québec Act.**

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<sup>2</sup> See Section 4 – *Filing a Tax Election With the Tax Authorities*, below.

Each Former AlarmForce Shareholder who wishes to make a Joint Tax Election must submit its Joint Tax Election Information using the Questionnaire on the Joint Tax Election Website (the “**Questionnaire**”). BCE will not verify the accuracy of any information provided by or on behalf of any electing Former AlarmForce Shareholder.

The following schedules contained in this letter are provided to guide you in making the Joint Tax Election:

Schedule A	Detailed information explaining steps to be followed to file the Joint Tax Election
Schedule B	Information on how to complete the Questionnaire
Schedule C	Frequently Asked Questions

**If you require further assistance, please contact the Technical Assistance Hotline at:**

**416-777-8983 or toll-free, at 1-833-467-5373**

**or by email to [alarmforce@taxelection.ca](mailto:alarmforce@taxelection.ca)**

### **3. SUBMITTING YOUR JOINT TAX ELECTION QUESTIONNAIRE**

**Any personal information that you submit to BCE using the Questionnaire will be used solely for the purposes of your Joint Tax Election and any subsequent enquiries or proceedings, and you consent to our collection and use of your personal information for such purposes. Your personal information will not be used to market any goods or services to you.**

Joint Tax Election Information provided to BCE **must** be submitted via the Questionnaire on or before the Joint Tax Election Information Submission Deadline<sup>3</sup>.

The Questionnaire is a web-based tool for submitting the Joint Tax Election Information to BCE. Each Former AlarmForce Shareholder can access the Questionnaire through the Joint Tax Election Website. The Joint Tax Election Website can be found at <https://www.taxelection.ca/alarmforce>.

A Former AlarmForce Shareholder will be required to provide answers to a number of questions (such as name, mailing address, number of AlarmForce Common Shares exchanged, etc.) and submit this information online. If the transmission of information is successful, a unique identification number will be provided to the electing Former AlarmForce Shareholder after submitting the Joint Tax Election Information. **This number will be required for identification purposes in the event the Former AlarmForce Shareholder wishes to contact BCE (or its representatives) in the future regarding previously submitted Joint Tax Election Information.**

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<sup>3</sup> See Section 2 – *Execution and Delivery of a Tax Election*

**This Joint Tax Election Questionnaire is not applicable and should not be completed if your AlarmForce Common Shares were held in a TFSA, RRSP or other registered plan. Please consult your tax advisor if you require additional information.**

#### **4. FILING A TAX ELECTION WITH THE TAX AUTHORITIES**

After submission of your Joint Tax Election Information via the web-based Questionnaire, a package containing the completed Joint Tax Election in prescribed form along with transmittal instructions on how to execute and deliver the forms to the CRA (and, if applicable, provincial tax authority) will be sent to the email address provided. Following is a brief summary of the transmittal instructions.

##### *Federal purposes*

##### **i. Filing Deadline**

Generally, for a Joint Tax Election to be accepted by the Canada Revenue Agency (the “**CRA**”) without an electing Former AlarmForce Shareholder being liable for a late filing penalty, the completed Joint Tax Election must be filed with the CRA on or before the date that is the earlier of:

- (a) the day by which the Transferee (BCE or its affiliate) is required to file an income tax return for the taxation year in which the exchange occurred; and
- (b) the day by which the Transferor (the electing Former AlarmForce Shareholder) is required to file an income tax return for the taxation year in which the exchange occurred.

BCE's 2018 taxation year is scheduled to end on December 31, 2018 (although BCE's taxation year could end earlier, as a result of an event such as an amalgamation), and its Tax Return is required to be filed within six months from the end of the taxation year.

##### **ii. Where to file the Joint Tax Election**

The Federal Joint Tax Election should be filed with your CRA Tax Centre. Information on Tax Centres can be found on the CRA website: <http://www.cra-arc.gc.ca/cntct/tso-bsf-eng.html>.

- For trusts, the applicable Tax Centre is based on the location of the Trustee;
- For a corporation or an individual, the CRA has designated specific Tax Centres for all corporations and individuals depending on where they are located. The Tax Centres and the areas they serve are listed on the CRA website referred to above;
- Where the Joint Tax Election is made by a Former AlarmForce Shareholder that owns the AlarmForce Common Shares together with a co-owner or co-owners (a “**Co-Owner**” or “**Co-Owners**”, as the case may be), the applicable Tax Centre is that of the Transferee (BCE or its affiliate).

*Québec purposes, if applicable*

i. Filing Deadline

Generally, in order for a Québec Joint Tax Election to be accepted by the Québec tax authorities, Revenu Québec (“**RQ**”) without an electing Former AlarmForce Shareholder being liable for a late filing penalty, the completed Joint Tax Election must be filed with ARQ by the later of the following dates:

- (a) the earliest date by which either the Transferee (BCE or its affiliate), or the Transferor (the electing Former AlarmForce Shareholder) must file an income tax return for the taxation year in which the exchange took place, or
- (b) the date of the last day of the two-month period following the end of the taxation year that, of the taxation years of both parties, ends the latest.

ii. Where to file the Joint Tax Election

The Québec Joint Tax Election form, together with a copy of the federal Joint Tax Election form, should be filed with Revenu Québec at the following address:

Revenu Québec  
C.P. 3000, succursale Place-Desjardins  
Montréal, Québec H5B 1A4

Electing Former AlarmForce Shareholders filing in Québec should note that corporations established in Québec are required to file the French version of the Québec Joint Tax Election; however, the copy of the federal Joint Tax Election can be the English version.

Each Former AlarmForce Shareholder is urged to consult its own tax advisor as soon as possible respecting the Joint Tax Election and the filing deadline that applies to it. However, regardless of the applicable filing deadline, complete and accurate Joint Tax Election Information must be received by BCE on or before the Joint Tax Election Information Submission Deadline and in accordance with the procedures set out in this Tax Instruction Letter.

**With the exception of execution and delivery of the election form by BCE, compliance with the requirements for a valid Joint Tax Election will be the sole responsibility of the Former AlarmForce Shareholder making the election. None of BCE, AlarmForce, the Depositary, or any of the appointed agents or representatives assisting with the tax election process and technology will be responsible or liable for taxes, interest, penalties, damages or expenses resulting from the failure by anyone to provide information necessary for the election in accordance with the procedures set out in the Tax Instruction Letter, to properly complete any election form or to properly file it within the time prescribed and in the form prescribed under the Tax Act (or the corresponding provisions of any applicable provincial tax legislation).**

## SCHEDULE A

### SUMMARY OF WHAT AN ELIGIBLE HOLDER MUST DO TO FILE A JOINT TAX ELECTION

1. Submit your Joint Tax Election Information to BCE in accordance with the procedures set out in this Tax Instruction Letter. Joint Tax Election Information must be received on or before the Joint Tax Election Information Submission Deadline<sup>4</sup>. Your information can be submitted quickly and easily by using the Joint Tax Election website at <https://www.taxelection.ca/alarmforce>. For help in submitting the required information, please refer to the following pages of this Tax Instruction Letter.
2. Your Joint Tax Election(s) will be compiled based solely on the Joint Tax Election Information you submit. It is your responsibility to ensure the information provided is in compliance with the requirements imposed under the Tax Act, and any applicable provincial tax act, to make a valid Joint Tax Election. BCE or its agents will send a package with electronic copies of the completed Joint Tax Election(s) to you by email within 30 days after receipt of the Joint Tax Election Information for filing with the CRA (and, if applicable, a provincial tax authority). If you do not receive a Joint Tax Election, it is your responsibility to contact the hotline noted in this Tax Instruction Letter. Each Former AlarmForce Shareholder is solely responsible for ensuring their Joint Tax Election is filed with the CRA (and, if applicable, a provincial tax authority) by their filing deadline.
3. Review the Joint Tax Election(s) that you receive with your own tax advisor to ensure that you agree with the content, calculation and other disclosures. If you do not so agree, immediately contact the Technical Assistance Hotline indicated in this Tax Instruction Letter. **DO NOT** make changes to a Joint Tax Election that has been executed by BCE.
4. If you and your tax advisor are satisfied that the Joint Tax Election(s) is accurate and complete, print three copies (or four copies, where there is a requirement to file in Québec), sign and date all copies of the Joint Tax Election(s) in the area marked “Signature of Transferor, of Authorized Officer or Authorized Person” of the federal Joint Tax Election form (at the bottom of page 2 of form T2057 or at the bottom of page 4 of form T2058) and, if applicable, in the area marked “Signature of transferor or authorized signee” of the Québec Joint Tax Election form (at the bottom of page 4 for both form TP-518-V or TP-529-V).
  - a. File one copy of the signed Joint Tax Election(s) with the tax authorities immediately.
  - b. Send one copy of the signed Joint Tax Election(s) either by email to [alarmforce@taxelection.ca](mailto:alarmforce@taxelection.ca) or by regular mail to the following address:  
  
**BCE-AlarmForce Joint Tax Election Process**  
333 Bay Street, Suite 4600  
Toronto, ON, M5H 2S5
  - c. Retain one copy of the Joint Tax Election(s) for your records.

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<sup>4</sup> See Section 2- *Execution and Delivery of a Tax Election*.

## **SCHEDULE B**

### **COMPLETING THE TAX ELECTION QUESTIONNAIRE**

#### **Getting Started**

Before starting, you will need the following:

1. Identification related information, including the Former AlarmForce Shareholder's name, address, social insurance number or business number, relevant taxation year, and, if applicable, similar information for Co-Owners of the AlarmForce Common Shares;
2. The number of AlarmForce Common Shares the Former AlarmForce Shareholder disposed of in favour of BCE pursuant to the Arrangement;
3. The aggregate adjusted cost base ("ACB") of the AlarmForce Common Shares the Former AlarmForce Shareholder disposed of pursuant to the Arrangement; and
4. The total amount of cash (in Canadian dollars) and the total number of BCE Common Shares received pursuant to the Arrangement.

#### **About the Questionnaire**

The Questionnaire is separated into two parts as follows:

1. Part I – Identification
2. Part II – Required Tax Information

To assist you in understanding the information requirements of each of these parts, the following pages of this Tax Instruction Letter will briefly provide descriptions of these requirements. The numbers of each description coincide with the related question in the Questionnaire.

#### ***Part I – Identification***

This Part requires the Former AlarmForce Shareholder to provide the following information:

##### **1. Name of Former AlarmForce Shareholder**

Enter the legal name of the Former AlarmForce Shareholder (generally should be the name listed on the Former AlarmForce Shareholder's income tax return).

##### **2. Type of Former AlarmForce Shareholder**

Identify the Former AlarmForce Shareholder as being an individual, a corporation, a trust or a partnership.

Confirm that the Former AlarmForce Shareholder is an Eligible Holder as defined in the Company Circular.

### **3. Social Insurance Number, Business Number, Trust Account Number or Partnership Identification Number**

Provide the relevant identification number(s) of the Former AlarmForce Shareholder.

### **4. Address of the Former AlarmForce Shareholder**

Provide the address of the Former AlarmForce Shareholder (generally should be the address listed on the Former AlarmForce Shareholder's income tax return).

### **5. Taxation Year of the Former AlarmForce Shareholder**

The taxation year that the Former AlarmForce Shareholder must provide is the taxation year that includes the Effective Date of the Arrangement.

- (a) An individual (other than a trust) is taxed on a calendar year basis and generally has a December 31 taxation year-end. A Former AlarmForce Shareholder that is an individual will generally provide the taxation year as 2018/01/01 to 2018/12/31.
- (b) A corporation may have a taxation year that ends at any time in the year. A Former AlarmForce Shareholder that is a corporation must provide the taxation year that includes the Effective Date. For example, if the corporation's year began on July 1, 2017 and ends on June 30, 2018; the taxation year provided should be 2017/07/01 to 2018/06/30.
- (c) An inter vivos trust or a testamentary trust that is not a graduated rate estate (as defined in the Tax Act) is generally taxed on a calendar year basis and has a December 31 taxation year-end. A Former AlarmForce Shareholder that is an inter vivos trust or a testamentary trust that is not a graduated rate estate that was established on or before January 1, 2018 will generally provide the taxation year as 2018/01/01 to 2018/12/31.
- (d) A graduated rate estate testamentary trust (as defined in the Tax Act) may have a taxation year that ends at any time of the year. A Former AlarmForce Shareholder that is a graduated rate estate must provide the taxation year that includes the Effective Date. For example, if the graduated rate estate's year began on July 1, 2017 and ends on June 30, 2018, the taxation year provided should be 2017/07/01 to 2018/06/30.
- (e) Very generally, a partnership:
  - i. with a member that is an individual, a professional corporation, or a partnership with a member that is an individual or a professional corporation, or
  - ii. with a member (directly or indirectly through one or more partnerships) that is a partnership in which a corporation has a significant interest, or
  - iii. that is a member of a partnership (directly or indirectly through one or more partnerships) in which a corporation has a significant interest, will have a fiscal period and taxation year that is a calendar year (as defined in the Tax Act). A Former AlarmForce Shareholder that is a partnership must provide the taxation year that includes the Effective Date of the Arrangement. For example, if the partnership's year began on



January 1, 2018 and ends on December 31, 2018, the taxation year provided should be 2018/01/01 to 2018/12/31.

## **6. Tax Centre of the Former AlarmForce Shareholder**

For federal purposes, indicate the Tax Centre that serves the Former AlarmForce Shareholder. The Tax Services Offices and the associated Tax Centre are listed on the CRA website: <http://www.cra-arc.gc.ca/cntct/tso-bsf-eng.html>.

## **7. Contact Information**

BCE may need to contact you (or a contact person) to clarify the information contained in the Questionnaire submitted. BCE requests that each Former AlarmForce Shareholder provide a telephone number, home address and email address to facilitate any contact.

BCE also requires the Former AlarmForce Shareholder's email address to send the completed copies of the Joint Tax Election. Without a valid email address, a copy of the Joint Tax Election will not be provided.

## **8. Co-Owner(s) of the AlarmForce Common Shares**

Former AlarmForce Shareholders that own the AlarmForce Common Shares together with a Co-Owner or multiple Co-Owners should designate one Co-Owner to complete the Questionnaire. The Questionnaire will ask for the name, address, and social insurance number of each Co-Owner. The designated Co-Owner must file one copy of the Joint Tax Election for each Co-Owner. A list of all Co-Owners, including their names and social insurance numbers, must be included with the election form on filing.

The Former AlarmForce Shareholders will be required to provide their percentage share (*i.e.*, undivided interest) in their co-owned AlarmForce Common Shares.

**Former AlarmForce Shareholders who are unsure of whether they own AlarmForce Common Shares together with a co-owner or multiple co-owners are urged to consult their legal advisor.**

## ***Part II – Required Tax Information***

This Part requires the Former AlarmForce Shareholder to provide information that will be used by the CRA to determine the tax consequences resulting from the disposition of the AlarmForce Common Shares.

## **9. Were the AlarmForce Common Shares disposed of capital properties?**

The determination of whether the AlarmForce Common Shares were capital property to the Former AlarmForce Shareholder is a question of fact depending on the Former AlarmForce Shareholder's particular circumstances. A Former AlarmForce Shareholder's AlarmForce Common Shares generally would have been considered capital property to the Former AlarmForce Shareholder unless they were held in the course of carrying on a business of trading or dealing in securities, or in the course of an adventure or concern in the nature of trade.

Generally, most Former AlarmForce Shareholders held the AlarmForce Common Shares as capital property and will answer this question “Yes”. Some Former AlarmForce Shareholders, however, held AlarmForce Common Shares as inventory or as part of an adventure or concern in the nature of trade and will answer this question “No”.

As described in the Company Circular, Former AlarmForce shareholders whose AlarmForce Common Shares might not qualify as capital property may be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have these shares and any other “Canadian Security”, as defined in the Tax Act, owned in the year of election or any subsequent taxation year, deemed to be capital property.

**A Former AlarmForce Shareholder should consult with its own tax advisor if unsure of the nature of the AlarmForce Common Shares and the effect of making an election in accordance with subsection 39(4) of the Tax Act.**

#### **10. Are you required to file a Québec income tax return?**

As discussed previously, Former AlarmForce Shareholders that are required to file a Québec income tax return are also required to make an additional Québec Joint Tax Election to defer all or a portion of any gain that might otherwise arise for Québec income tax purposes. For Former AlarmForce Shareholders who answer “Yes” to this question, BCE will prepare a Québec Joint Tax Election based on the information provided by the Former AlarmForce Shareholder in the Questionnaire, and send the Québec Joint Tax Election to the Former AlarmForce Shareholder to sign and file with ARQ.

A Former AlarmForce Shareholder filing the Québec Joint Tax Election with ARQ must also file the federal Joint Tax Election with the CRA. In addition, a copy of the federal Joint Tax Election filed must be enclosed with the Québec Joint Tax Election filed with ARQ.

Former AlarmForce Shareholders filing in Québec should note that corporations established in Québec are required to file the French version of the Québec Joint Tax Election; however, the copy of the federal Joint Tax Election can be the English version.

#### **11. The amount of cash and number of BCE Common Shares received by the Former AlarmForce Shareholder (and all Co-Owners, if applicable)**

The amount of cash and number of BCE Common Shares received can be found on the Former AlarmForce Shareholder’s brokerage statement that includes the Effective Date of the Arrangement.

In the case of Co-Owners, the Former AlarmForce Shareholder should enter the total amount of cash and the total number of BCE Common Shares received by **ALL** Co-Owners, including those of any Co-Owners that decide not to elect. The total amounts are required to properly reflect the proportionate interest for each electing Co-Owner.

#### **12. The total number of AlarmForce Common Shares disposed of by the Former AlarmForce Shareholder (and all Co-Owners, if applicable)**

The number of AlarmForce Common Shares disposed of can be found on the Former AlarmForce Shareholder's brokerage statement that includes the Effective Date of the Arrangement.

In the case of Co-Owners, the Former AlarmForce Shareholder should enter the total amount of AlarmForce Common Shares disposed of, including those of any Co-Owners that decide not to elect. The total amounts are required to properly reflect the proportionate interest for each electing Co-Owner.

### **13. ACB or cost amount (as applicable) of the AlarmForce Common Shares disposed of by the Former AlarmForce Shareholder**

The rules for determining the ACB (or cost amount in the case of inventory) are complex. BCE does not have access to information that can assist Former AlarmForce Shareholders in determining their particular ACB or cost amount.

The ACB of the AlarmForce Common Shares will generally be the amount paid by the Former AlarmForce Shareholder to acquire the AlarmForce Common Shares plus any reasonable costs to acquire the shares. Special rules may apply if the AlarmForce Common Shares were received as a distribution from AlarmForce. The ACB may be adjusted in certain circumstances (*e.g.*, where a Former AlarmForce Shareholder received its AlarmForce Common Shares due to a previous tax-deferred transaction or where a Former AlarmForce Shareholder received its AlarmForce Common Shares as a gift).

Each Former AlarmForce Shareholder should consult its own tax advisor to obtain assistance in determining the correct ACB of the AlarmForce Common Shares disposed of pursuant to the Arrangement.

### **14. Elected amount**

As described in the Company Circular, the Elected Amount that is chosen by the Former AlarmForce Shareholder, within certain parameters defined in the Tax Act (and, if applicable, the Québec Act), will affect the tax results of the disposition of the AlarmForce Common Shares. The Elected Amount will be the proceeds of disposition for purposes of computing any gain or loss on the Former AlarmForce Shareholder's disposition of the AlarmForce Common Shares.

Former AlarmForce Shareholders that wish to minimize any gain on the disposition of the AlarmForce Common Shares should answer "Yes" to Question 14 of the Questionnaire. By answering "Yes", the lowest possible Elected Amount allowed by the Tax Act will be used in completing the Joint Tax Election. This amount will be based on the Joint Tax Election Information the Former AlarmForce Shareholder provides. The accuracy of this information will not be verified by BCE.

Alternatively, Former AlarmForce Shareholders may choose to use another amount as their Elected Amount, subject to the rules outlined below. Former AlarmForce Shareholders that answer "No" must manually input their Elected Amount in the second part of Question 14.

As described in the Company Circular, the Elected Amount for AlarmForce Common Shares disposed of pursuant to the Arrangement must comply with the following rules:

- a. It may not be less than the amount of cash received
- b. It may not be greater than the fair market value of your AlarmForce Common Shares at the time of the exchange
- c. It may not be less than the lesser of (i) the ACB to the Former AlarmForce Shareholder of the AlarmForce Common Shares immediately before the time of the exchange, and (ii) the fair market value of the AlarmForce Common Shares at the time of the exchange

An Elected Amount that does not otherwise comply with the foregoing limitations will be automatically adjusted under the Tax Act (and, if applicable, the Québec Act), so that it is in compliance. If the fair market value of the AlarmForce Common Shares is less than their ACB (that is, the disposition would result in a loss), a Former AlarmForce Shareholder cannot file a Joint Tax Election.

Former AlarmForce Shareholders should consult their tax advisors regarding the selection of the appropriate Elected Amount in respect of the AlarmForce Common Shares.

The ACB of the BCE shares received as consideration for the disposition of the AlarmForce Common Shares will equal the Elected Amount described above, less the amount of cash received.

#### **15. Individuals in a “financial reporting oversight role” (“FROR”)**

To ensure the rules and regulations of the Securities Exchange Commission (the “SEC”) are not violated by any party, we must be informed if any Former AlarmForce Shareholder making a Joint Tax Election is an individual in a FROR of a SEC registrant company. The SEC’s FROR rules and regulations only apply to individuals. If the Former AlarmForce Shareholder is a corporation, a trust or a partnership, the answer to this question should be “No”.

Persons in a FROR are considered to include individuals in the roles of Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer, general counsel, Chief Administrative Officer, controller, director of internal audit, director of financial reporting, treasurer and any equivalent position of an SEC registrant company. The spouse of a Former AlarmForce Shareholder includes a spouse or a spousal-equivalent (*e.g.*, common-law spouse or domestic partner)

## SCHEDULE C

### FREQUENTLY ASKED QUESTIONS

***Q1. How do I confirm the number of BCE Common Shares and cash I received pursuant to the Arrangement?***

A1. If you are a registered shareholder (meaning that you either had a physical certificate or direct registration statement representing your AlarmForce Common Shares), AST Trust Company (Canada) ("**the Depository**")<sup>5</sup> may be able to provide you with this information. If you held your AlarmForce Common Shares in an account with an investment dealer or broker, they may be able to provide you with this information. Alternatively, this information should be on your brokerage statement for the period that includes the Effective Date.

***Q2. What happens if I was entitled to a fraction of a BCE common share?***

A2. In no event shall a Former AlarmForce Shareholder be entitled to receive a fractional BCE Common Share. Where the aggregate number of BCE Common Shares to be issued to a Shareholder pursuant to the Plan of Arrangement would otherwise result in a fraction of a BCE Common Share being issuable: (a) the number of BCE Common Shares to be received by such Shareholder shall be rounded down to the nearest whole BCE Common Share; and (b) such Shareholder shall receive a cash payment (rounded up to the nearest whole \$0.01) equal to the product of: (i) the 20-day volume weighted average price (VWAP) of the BCE Common Shares on the TSX ending on the fifth Business Day prior to the Effective Date; and (ii) the fraction of a BCE Common Share otherwise issuable. For greater certainty, such cash payment will be considered to form part of the Share Consideration receivable by such Shareholder.

In addition, if the aggregate cash amount which a Shareholder is entitled to receive would otherwise include a fraction of \$0.01, then the aggregate cash amount to which such Shareholder shall be entitled to receive shall be rounded up to the nearest whole \$0.01.

***Q3. I owned AlarmForce Common Shares together with other Co-Owners (e.g. my spouse). Who should complete and sign the Joint Tax Election?***

A3. A single Questionnaire may be used for the federal Joint Tax Election or the Québec Joint Tax Election if one Co-Owner is chosen to submit the Joint Tax Election Information on behalf of all Co-Owners (the "**Designated Co-Owner**"). If a single Questionnaire is being used, you must respond "yes" to question 8(a) "Are you requesting a Joint Tax Election on behalf of all electing Co-Owners?" in Part I - Identification section of the Questionnaire.

The Designated Co-Owner must provide the required information for each electing Co-Owner in the Questionnaire. BCE will prepare the Joint Tax Election(s) for each Co-Owner and send the forms to the Designated Co-Owner. Then the Designated Co-Owner must sign one completed copy

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<sup>5</sup> You can contact AST Trust at 1-800-387-0825 (North American Toll Free Number), by email at [inquiries@astfinancial.com](mailto:inquiries@astfinancial.com) or at 416-682-3860 Outside North America (Banks and Brokers call collect).

of each Joint Tax Election and file the forms together with a list of all Co-Owners electing and proof of authority to sign on behalf of such Co-Owners with the CRA and ARQ, as applicable.

Alternatively, each Co-Owner may complete their own Questionnaire. In this case, each Co-Owner should set out the Co-Owner's respective ownership interest (*i.e.*, percentage) in the AlarmForce Common Shares held by all Co-Owners and report amounts on the Co-Owner Questionnaire corresponding to that ownership percentage.

***Q4. How do I determine how many AlarmForce Common Shares were disposed of pursuant to the Arrangement?***

A4. If you are a registered shareholder (meaning that you either had a physical certificate or direct registration statement representing your AlarmForce Common Shares), AST Trust may be able to provide you with this information. If you held your AlarmForce Common Shares in an account with an investment dealer or broker, they may be able to confirm the number of AlarmForce Common Shares you disposed of. Alternatively, this information should be on your brokerage statement for the period that includes the Effective Date.

***Q5. Will BCE help me complete the Joint Tax Election?***

A5. To enable Former AlarmForce Shareholders to submit their Joint Tax Election Information, BCE has made the Questionnaire available to Former AlarmForce Shareholders in a web-based format. This Tax Instruction Letter describes how to complete the Questionnaire. After receiving the completed Questionnaire, BCE, AlarmForce, the Depositary, or any of the appointed agents or representatives assisting with the tax election process and technology, will compile a Joint Tax Election form(s) based solely on the Joint Tax Election Information provided by the Former AlarmForce Shareholder. Former AlarmForce Shareholders may call the Technical Assistance Hotline for technical assistance regarding use of the Questionnaire. However, neither BCE, AlarmForce, nor the Joint Tax Election Website Agent will provide legal or tax advice to any Former AlarmForce Shareholder in connection with their Joint Tax Election.

It is each Former AlarmForce Shareholder's responsibility to review the Joint Tax Election form for accuracy and completeness, sign it and file it with the CRA and, if applicable, ARQ. Neither BCE, AlarmForce, the Depositary, nor any of the appointed agents or representatives assisting with the tax election process and technology will verify the accuracy of the Joint Tax Election Information provided by a Former AlarmForce Shareholder.

***Q6. Is there a fee for making the Joint Tax Election?***

A6. No, you are not required to pay any fees to make the Joint Tax Election, provided the Joint Tax Election is filed by your filing deadline as described in Section 4 of this Tax Instruction Letter. The CRA and ARQ, if applicable, may levy a penalty for a late filed Joint Tax Election.

***Q7. How do I calculate the ACB of my AlarmForce Common Shares?***

A7. The ACB of a Former AlarmForce Shareholder's AlarmForce Common Shares that are capital property will generally be the amount that the Former AlarmForce Shareholder paid for the AlarmForce Common Shares when they were originally acquired plus reasonable costs to acquire

the shares such as a broker commission. The cost of particular AlarmForce Common Shares may be different due to certain events (e.g., where a shareholder received their AlarmForce Common Shares in a tax-deferred transaction or by way of a gift). Special rules may apply if the Former AlarmForce Shareholder received the AlarmForce Common Shares as a distribution from AlarmForce. The ACB of a Former AlarmForce Shareholder's AlarmForce Common Shares acquired at any time will be determined by averaging the cost of such shares with the ACB of the AlarmForce Common Shares held by the Former AlarmForce Shareholders as capital property immediately before that time.

The rules for determining ACB are complex. You should consult your own tax advisor to obtain assistance.

***Q8. I received my AlarmForce Common Shares from my spouse or common law partner through an inheritance or gift. What is my ACB?***

A8. Generally, if you received your AlarmForce Common Shares from your spouse or common law partner through an inheritance or gift and the AlarmForce Common Shares were held by you as capital property, the starting point for calculating the ACB of the AlarmForce Common Shares will be the ACB of the AlarmForce Common Shares to your spouse or common law partner immediately before their death or the gifting of the shares. However, the rules in this area are complex and you should consult your tax advisor for more information.

***Q9. What happens if BCE does not receive my Joint Tax Election Information by the Joint Tax Election Information Submission Deadline?***

A9. BCE has agreed to make a Joint Tax Election with Former AlarmForce Shareholders, subject to the limitations set out in subsection 85(1) and 85(2) of the Tax Act, only if complete Joint Tax Election Information is provided on or before the Joint Tax Election Information Submission Deadline. Therefore, it is important that you provide your complete information by that deadline. BCE may, but is not obligated to, make a Joint Tax Election if the Joint Tax Election Information is received after the Joint Tax Election Information Submission Deadline. Consequently, you should ensure that a complete and accurate Joint Tax Election Information is received by BCE in accordance with the procedures set out above by the Joint Tax Election Information Submission Deadline. Accordingly, if you wish to make a Joint Tax Election with BCE you should give your immediate attention to this matter.

***Q10. I filed the Joint Tax Election to obtain a full tax-deferred rollover on the disposition of my AlarmForce Common Shares. Do I have to report the disposition on my tax return for the period that includes the disposition of the AlarmForce Common Shares?***

A10. Yes. You must report the disposition of AlarmForce Common Shares even though you elected to obtain a full deferral of any capital gain that might otherwise arise on the disposition of your AlarmForce Common Shares pursuant to the Arrangement. Your proceeds of disposition for Canadian income tax purposes will be equal to the Elected Amount set out in box B on page 3 of the federal Joint Tax Election (and equivalent box on a Québec Joint Tax Election).

***Q11. I have completed and submitted the Questionnaire to BCE. What do I do next?***

A11. After receiving a properly completed Questionnaire, a Joint Tax Election will be compiled using the information that you provided. The Joint Tax Election(s) will be executed and BCE will send an electronic copy to you using the email address provided in the Questionnaire.

You should then review the Joint Tax Election. If you do not agree with the content, calculations or any disclosures, contact the Technical Assistance Hotline indicated in this Tax Instruction Letter. If you are satisfied, sign and file the Joint Tax Election(s) with the CRA and ARQ, if applicable. Please also refer to section “Filing a Joint Tax Election with the Tax Authorities”.

***Q12. I am a non-resident of Canada. What are my tax consequences resulting from the Arrangement?***

A12. A summary of the Canadian income tax consequences to non-residents of Canada can be found in the Company Circular under the heading “*Certain Canadian Federal Income Tax Considerations*”.

***Q13. If I make a Joint Tax Election in Québec, am I required to make a federal Joint Tax Election?***

A13. Yes, a Former AlarmForce Shareholder making a Québec Joint Tax Election must also make a federal Joint Tax Election. Note that a copy of the federal Joint Tax Election must be submitted to ARQ when filing the Québec Joint Tax Election. A Former AlarmForce Shareholder that is a corporation established in Québec is required to file the French version of the Québec Joint Tax Election; however, the copy of the federal Joint Tax Election can be the English version.

***Q14. What if I no longer wish to make a Joint Tax Election after I have completed and submitted the Questionnaire to BCE?***

A14. If you no longer wish to make a Joint Tax Election following completion and submission of the Questionnaire to BCE, do not file the Joint Tax Election sent to you by BCE with the tax authorities in accordance with A.11 and promptly contact the Technical Assistance Hotline indicated in this Tax Instruction Letter to notify BCE of your decision to no longer make the Joint Tax Election.