

SETTLEMENT AGREEMENT

Agreement Relating to Class Actions Certified/Authorized or Proposed for Certification in the Following Matters:

In the Ontario Superior Court of Justice (Court File No. 02-6556-CP)

RICHARD SAJECKI

Plaintiff

v.

BELL CANADA

Defendant

In the Quebec Superior Court (Court File No. 500-06-000121-000)

UNION DES CONSOMMATEURS and SUZANNE LABBÉ

Plaintiff

v.

BELL CANADA

Defendant

Richard Sajecki, in his capacity as class representative, Union Des Consommateurs and Suzanne Labbé, in their capacity as class representatives (the **APlaintiffs@**) and Bell Canada (**ABell Canada@**) hereby enter into this Agreement (hereinafter defined) providing for settlement of the class actions described below, subject to the approval of the Ontario Superior Court of Justice and the Quebec Superior Court (together, the **ACourts@**).

WHEREAS a Statement of Claim proposing a class action issued April 4, 2002 has been filed and served on Bell Canada and BCE Inc. in Ontario by Richard Sajecki (the **AOntario Action@**) and a Motion for Authorization of a class action dated November 29, 2001 has been filed and served on Bell Canada in Quebec by Union Des Consommateurs and Suzanne Labbé (the **AQuebec Action@**) (together the Ontario Action and the Quebec Action shall be referred to as the **Actions@**);

WHEREAS the Ontario Action was discontinued against BCE Inc.;

WHEREAS a judgment authorizing a class action was rendered in the Quebec Superior Court, Court File No. 500-06-000121-000 on the 12th day of February, 2003;

WHEREAS Plaintiff=s counsel in Ontario, namely, the law firm of Scarfone Hawkins LLP (AScarfone@) and Plaintiff=s counsel in Quebec, namely, the law firm of Lauzon Bélanger (ALauzon@) have conducted settlement negotiations with Bell Canada;

WHEREAS Bell Canada has denied and continues to deny the Plaintiffs= claims in the Actions, has denied and continues to deny wrongdoing or liability of any kind anywhere to the Plaintiffs or the Class Members (hereinafter defined) the Plaintiffs represent, and have raised and intend to continue to raise numerous affirmative defences;

WHEREAS based upon an analysis of the claims of the Class Members, taking into account the extensive burdens and expense of litigation, protracted trials and appeals, as well as the fair, cost-effective and assured method of resolving claims of the Class Members provided for in this Agreement, the Plaintiffs and the Plaintiffs= counsel have concluded that this Agreement provides substantial benefits to the Class Members and is fair, reasonable and in the best interest of the Class Members;

WHEREAS Bell Canada and its counsel have similarly concluded that this Agreement is desirable in order to avoid the time, risks and expense of defending multiple and protracted litigation and to resolve finally and completely the pending claims referred to in the above Actions relating to the Bell First Rate Plan (hereinafter defined);

WHEREAS the Plaintiffs assert that there are common aspects to the Class Members= claims, and given the willingness of Bell Canada to settle those claims on the basis set forth in this Agreement, the Parties agree that certification of the Ontario Action (the Quebec Action already having been certified) as a class action subject to this Agreement is a preferable procedure for resolving the Class Members= claims, subject to obtaining court approval of this Agreement;

WHEREAS the Parties intend to fully resolve the pending claims relating to the Bell First Rate plan;

WHEREAS the Parties agree that this Agreement, and any approval of this Agreement by the Courts, will not constitute any admission by Bell Canada, or be used as any evidence against Bell Canada of liability or damages or for any other purpose in these Actions or in any other proceeding or matter;

NOW THEREFORE subject to the approval of the Courts in Ontario and Quebec, this Agreement embodies the provisions for the resolution of the Actions brought against Bell Canada in the Provinces of Ontario and Quebec;

1. **Interpretation**

1.1 Definitions

In this Agreement, all capitalized terms shall have the meanings set out in Appendix A.

1.2 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include both genders.

2. **Reimbursement Program**

2.1 Over 800 Minutes

2.1.1 All Class Members who are, as at the Date of Distribution, Bell Canada Customers and who were charged Long Distance Charges as a result of making over 800 minutes of long distance telephone calls per month in the 60 days following the Billing Date in which Bell Canada provided to the Class Member a Notice of Rate Change, shall be directly reimbursed through the crediting of telephone bills by Bell Canada within 60 days of the Date of Distribution all such charges incurred in those 60 days which would not have been incurred but for implementation of the Rate Change less the Class Counsel fees as provided for in Article 13.

2.1.2 All Class Members who are not, as at the Date of Distribution, Bell Canada Customers, who were charged Long Distance Charges as a result of making over 800 minutes of long distance telephone calls per month in the 60 days following the Billing Date in which Bell Canada provided to the Class Member a Notice of Rate Change shall receive from Bell Canada a prepaid long distance calling card for a credit amount as described in Appendix B upon following the Reimbursement Procedure set out in Appendix B.

2.2 6:00 a.m. to 8:00 a.m. Calls

2.2.1 All Class Members who are, as at the Date of Distribution, Bell Canada Customers and who were charged Long Distance Charges for long distance telephone calls made between 6 a.m. and 8 a.m. for the period of November 16, 2000 to January 15, 2001 shall be directly reimbursed by Bell Canada within 60 days of the Date of Distribution all such charges which would not have been incurred but for implementation of the Rate Change, less the Class Counsel fees as provided for in Article 13.

2.2.2 All Class Members who are not, as at the Date of Distribution, Bell Canada Customers, who were charged Long Distance Charges as a result of making calls between 6 a.m. and 8 a.m. for the period of November 14, 2000 to January 14, 2001 shall receive from Bell Canada a prepaid long distance calling card for a credit amount as described in Appendix B upon following the Reimbursement Procedure set out in Appendix B.

2.3 Threshold Participation by Class Members

The Parties acknowledge that the total value of this settlement exclusive of all mailing, administration and implementation costs as contemplated by this Agreement is approximately Ten Million Dollars (\$10,000,000.00) inclusive of amounts already refunded by Bell Canada. Bell Canada advises that approximately thirty-four per cent (34%) of the Class Members who may be entitled to reimbursement pursuant to Section 2.1 and 2.2 are no longer Bell Canada Customers that are immediately and/or easily identifiable from Bell Canada records. As a result of the foregoing, there is a potential undistributed sum of Three Million, Four Hundred Thousand Dollars (\$3,400,000.00) in the event those Class Members who are no longer Bell Canada Customers do not participate in the settlement pursuant to Subsection 2.1.2 and/or Subsection 2.2.2. In the event that less than One Million, Seven Hundred Thousand Dollars (\$1,700,000.00) is distributed to Class Members described in Subsection 2.1.2 and Subsection 2.2.2 pursuant to the Reimbursement Program then Bell Canada shall pay to The United Way of Canada/Centraide or The Kids Help Phone as determined by Bell Canada, the net of the sum of One Million, Seven Hundred Thousand Dollars (\$1,700,000.00) less the amount so distributed to Class Members pursuant to Subsection 2.1.2 and Subsection 2.2.2, the third party charges for the newspaper publication of the notices set out in Article 9 and legal fees and expenses provided for in Article 13, and on the Quebec portion of the balance, if so, the amount to be paid to the *Fonds d'aide aux recours collectifs*, pursuant to the Regulation respecting percentage withheld by the *Fonds d'aide aux recours collectifs* (L.R.Q., c. R-2.1, r.3.1).

Payment shall be made within 210 days of the Court Approval Date. The determination of the amount paid out pursuant to Subsection 2.1.2 and Subsection 2.2.2 shall be independently verified by Raymond Chabot Grant Thornton LLP.

2.4 Dispute Resolution

In the event a Class Member wishes to dispute the amount of the reimbursement or the amount of the prepaid long-distance calling card received from Bell Canada, the Class Member must file written notice of its dispute to Raymond Chabot Grant Thornton LLP within 30 days of receipt of the reimbursement or prepaid long-distance calling card. Raymond Chabot Grant Thornton LLP shall have 30 days thereafter to adjudicate the dispute and their decision shall be final and binding on all parties.

3. Opting Out

- 3.1 A Class Member who wishes to be excluded from this Agreement must indicate his/her intention to opt out by filing written notice with Raymond Chabot Grant Thornton LLP as indicated in Appendix C postmarked or delivered within 75 days following the Court Approval Date.
- 3.2 On the Court Approval Date, this Agreement will be binding on all Class Members, wherever they reside, except those who have filed an opt-out form pursuant to Section 3.1.
- 3.3 Within 90 days of the Court Approval Date, Bell Canada may unilaterally terminate this Agreement by giving written notice to Class Counsel in the event that a predetermined number of Class Members have opted out of this Agreement. Class Counsel and Bell Canada have agreed by separate letter agreement, of which a copy shall be submitted to the Courts, the threshold number of Class Members who opt out that can result in termination unilaterally of the Agreement by Bell Canada. In the event Bell Canada terminates this Agreement, all monies received by Class Counsel pursuant to Article 13 shall be immediately repaid to Bell Canada.

4. Administration of Settlement

- 4.1 Bell Canada shall be responsible for co-ordinating the Reimbursement Program pursuant to Article 2 and shall administer the settlement diligently and in good faith according to the terms of this Agreement.
- 4.2 The process for the crediting of the telephone bill and the distribution of prepaid long distance calling cards pursuant to the Reimbursement Program will be subject to reasonable inspection and review by Class Counsel and/or their representatives for the purpose of determining that Bell Canada is complying with the terms of this Agreement. Any information received during such inspection and review shall be kept confidential.
- 4.3 In the event either Class Counsel or Bell Canada require assistance and/or direction in implementation of the Agreement, either may bring a motion to the Courts for directions.

5. Court Approval

- 5.1 The terms of this Agreement are subject to and conditional upon a final judgment of court approval in both Ontario and Quebec. Unless so approved by both Courts, this Agreement is of no force and effect. In the event the Courts require amendments to the Agreement for approval, the Parties shall have 30 days to agree to such amendments failing which the Agreement shall be of no force and effect.

6. **Effect of Non-Approval or Termination**

6.1 If the conditions to which this Agreement are subject, as set out in Section 3.3 and Article 5, respectively, are not satisfied as provided therein:

- (a) this Agreement shall be null and void and shall have no force and effect, and no party to this Agreement shall be bound by any of its terms, except for the terms of this Article;
- (b) this Agreement and all of its provisions and all negotiations, statements and proceedings relating to it shall be without prejudice to the rights of the Parties, all of whom shall be restored to their respective positions existing immediately before the execution of this Agreement; and
- (c) this Agreement, the fact of its negotiation and execution, the certification of the Ontario Class and any approval of this Agreement by any court shall not constitute any admission by Bell Canada or be used as evidence against Bell Canada for any purpose or in any proceeding or matter. For greater certainty, this Agreement shall not constitute an admission by Bell Canada that the Ontario Action should be certified as a class action and the fact or terms of this Agreement or anything connected with it shall not be used in any way in support of certification of the Ontario Action or any other legal proceeding as a class action.

7. **Final Judgment**

7.1 Subject to Article 6, the Parties will jointly submit proposed judgments approving this Agreement in both Courts. Each proposed judgment shall provide that, subject to the terms of this Agreement, the judgment constitutes:

- (a) the full and final resolution and release of all claims and causes of action that have been raised by the Plaintiffs in the Actions, or either of the Actions;
- (b) a full and final release by all Class Members against Bell Canada and related entities and their respective employees, directors, officers, agents and independent contractors (the ~~AR~~Releasees~~@~~) from any and all liability in respect of the claims raised by the Plaintiff in the Actions, or either of the Actions; and
- (c) a covenant by all Class Members not to make any claim or commence or maintain any proceeding for all claims and cause of actions raised in the proceedings against any third party including any person or corporation arising from or in connection with the claims raised by the Plaintiffs in the Actions or either of the

Actions, in which any claim could arise against the Releasees for contribution, indemnity, or any other relief over.

8. Jurisdiction of Courts

The Ontario Superior Court of Justice and the Quebec Superior Court shall retain exclusive and continuing jurisdiction over the Actions and the Class Members, respectively, of the Ontario Class and the Quebec Class.

9. Notices

9.1 Subject to the order of the Courts, Bell Canada shall publish a notice in the form set out in Appendix D in each of the Canadian newspapers set out in Appendix E.

9.2 Within 40 days following the Court Approval Date, Bell Canada shall provide notice of this settlement and court approval thereof by publication of a notice in the form as set out in Appendix F in each of the Canadian daily newspapers set out in Appendix E for one day.

9.3 Within 60 days following the Court Approval Date, Bell Canada shall provide notice of this settlement and court approval thereof by the enclosure of a separate notice included with the telephone bill of all Bell Canada Customers, in the form as set out on Appendix F.

9.4 All expenses relating to the publication and distribution of notices pursuant to this Agreement shall be borne by Bell Canada save and except as provided for in Section 2.3.

10. No Oral Modifications or Waivers

No amendment or termination of any provision of this Agreement shall be effective unless it is in writing and is executed by or on behalf of each of the Parties. No Party will be deemed to have waived the exercise of any right or obligation under this Agreement unless such waiver is in writing and signed by or on behalf of the Party.

11. Enurement

This Agreement shall enure to the benefit of and be binding upon each of the Parties and each Class Member and each of their respective successors and personal representatives.

12. **French Version**

This Agreement in term identical to the English version will also be executed in French at the same time as the English version or shortly thereafter.

13. **Legal Fees and Expenses**

Subject to the approval of the Courts, the legal fees and expenses of Class Counsel shall be Two Million, Five Hundred Thousand Dollars (\$2,500,000.00) inclusive of applicable taxes and disbursements.

The Parties agree that the sum of One Million, Eight Hundred Thousand Dollars (\$1,800,000.00) will be deducted as follows:

- i) from the amount payable under Section 2.3 above a sum of Five Hundred Thousand Dollars (\$500,000.00) for Class Counsel fees; and
- ii) from the reimbursements to be made to Class Members who are, at the Date of Distribution, Bell Canada Customers and who will be directly reimbursed by Bell Canada under clause 2.1.1 and 2.2.1, the remaining One Million, Three Hundred Thousand Dollars (\$1,300,000.00).

The remaining Seven Hundred Thousand Dollars (\$700,000.00) will not be deducted from any reimbursements payable to Class Members and will be assumed by Bell Canada directly.

The Parties agree that Class Counsel fees will be disbursed as follows:

- i) Five Hundred Thousand Dollars (\$500,000.00), 30 days following the Court Approval Date;
- ii) One Million Dollars (\$1,000,000.00), 60 days following the Court Approval Date; and
- iii) One Million Dollars (\$1,000,000.00), 90 days following the Court Approval Date.

14. **Governing Law**

This Agreement shall be interpreted in accordance with the laws of the Province of the class to which the Class Member belongs.

15. **Counterparts**

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

16. **Appendices**

- Appendix "A" - Definitions
- Appendix "B" - Reimbursement Procedure for Class Members who are no longer Bell Canada Customers
- Appendix "C" - Opt Out Form
- Appendix "D" - Pre-approval Legal Notice
- Appendix "E" - List of Newspapers
- Appendix "F" - Notice of Certification and Approval of Class Action Settlement
- Appendix "G" - Claims Form

Dated: March 12, 2004

Bell Canada

By: "Martine Turcott"

Martine Turcotte
Chief Legal Officer

Dated: March 8, 2004

"David Thompson"

Scarfone Hawkins LLP
On their own behalf and as counsel to Richard Sajecki

Dated: March 15, 2004

"Gilles Gareau"

Lauzon Bélagner
On their own behalf and as counsel to
Union Des Consommateurs and Suzanne Labbé

Appendix A

Definitions

“Actions” means, together the proceedings commenced by the statement of claim issued in Ontario on April 4, 2002 and the motion for authorization (certification) of a class action dated November 29, 2001 has been filed in Quebec, as described in the preamble to this Agreement;

“Agreement” means this agreement, including any appendices hereto, including any modifications made by any further written agreement among the Parties;

“Bell Canada Customer” means a subscriber of record to a Bell Canada local or long distance telephone service;

“Bell First Rate Plan” / “Plan” means the long distance discount rate plan provided by Bell Canada where a customer could make a direct dial call in Canada evenings and weekends;

“Billing Date” means the bill date specified by Bell Canada on the Class Members’ bill;

“Claim Form” means the claim form to be completed by those Class Members who are no longer Bell Canada Customers, a copy of which is appended hereto and marked Appendix G;

“Class Counsel” means the law firms of Lauzon Belanger, Avocats and Scarfone Hawkins, LLP, Barristers & Solicitors;

“Class Member” means any person who was a Bell First Rate Plan customer as at September 27, 2000;

“Court Approval Date” means the latest of the dates on which the orders/judgments of the Ontario Superior Court of Justice and the Quebec Superior Court approving this Agreement and any order(s) / judgment(s) contemplated by Article 7 are made.

“Courts” means the Ontario Superior Court of Justice and the Quebec Superior Court, together, as defined in the preamble to this Agreement;

“Date of Distribution” means the date which Bell Canada commences to credit each Bell Canada Customer’s account as of the Billing Date commencing October 2004;

“Long Distance Charges” means the charge applicable for a long distance telephone call by a Bell Canada Customer as prescribed by Bell Canada for the Relevant Period;

“Notice to Bell Canada Customers” means the notice described in Article 9 which shall be approved by the Courts;

“Notice of Rate Change” means the notice which was printed on the billing statement stating that the terms of the Bell First Rate Plan would be changed effective immediately;

“Ontario Action” means the Statement of Claim issued in the Province of Ontario on April 4, 2002;

“Ontario Class” means all Class Members who are not members of the Quebec Class on the Court Approval Date;

“Parties” means the Plaintiffs and Defendant, together, as defined in the preamble to this Agreement;

“Plaintiffs” means, together, Richard Sajecki and Suzanne Labbé, as defined in the preamble to this Agreement;

“Quebec Action” means the motion of authorization (certification) of a class action dated November 29, 2001 filed in the Province of Quebec, authorized (certified February 21, 2003);

“Quebec Class” means all Class Members who were resident in the Province of Quebec on or before September 27, 2000;

“Rate Change” means the introduction of a ceiling of 800 minutes per month for long distance calls covered by the Bell First Rate Plan and the introduction of a rate of 10 cents per minute beyond the ceiling plus the reduction in the discount calling window by two hours from 6:00 p.m. to 6:00 a.m. rather than the calling window of 6:00 p.m. to 8:00 a.m. previously offered;

“Raymond Chabot Grant Thornton LLP” means the independent accounting firm of Raymond Chabot Grant Thornton LLP located at 2505 St. Laurent Boulevard, Ottawa, Ontario, K1H 1E4 and the responsible partner shall be Daniel Rozon;

“Reimbursement Procedure” means the reimbursement procedure for all Class Members who are no longer Bell Canada Customers as at the Date of Distribution as more particularly set out on Appendix B hereto;

“Reimbursement Program” means the reimbursement program provided by the Defendants described in Article 2;

“Relevant Period” means the 60 day period following the Billing Date for Long Distance Charges charged over 800 minutes per month and/or the period from November 14, 2000 to January 14, 2001 for Long Distance Charges charged for calls between 6 a.m. and 8 a.m.; and

“Request for Reimbursement” means the request for reimbursement to Bell Canada by a Class Member who is no longer a Bell Canada Customer, the procedure for which is more particularly set out on Appendix B.

Appendix B

Reimbursement Procedure for Class Members who are no longer Bell Canada Customers

Request for Reimbursement

1. Within 120 days of the Court Approval Date, those Class Members who are no longer Bell Canada Customers and may be entitled to the benefits provided for in Subsections 2.1.2 and/or 2.2.2 shall take the following steps to receive reimbursement in the form of the Bell Canada prepaid long distance calling card:
 - (a) fully complete and sign the Claim Form, a copy of which is appended to the Agreement as Appendix G; and
 - (b) deliver the Claim Form along with their telephone bills for the Relevant Period, if available, to Bell Canada in the manner specified on the Claim Form. Bell shall use its best efforts to trace and locate the telephone bill for the Relevant Period if it is not provided.
2. Where a Class Member has completed a Request for Reimbursement pursuant to Section 1 herein and the telephone bill for the Relevant Period has been provided in the Claim Form or located by Bell, the Class Member shall receive a long distance calling card with a credit value of a minimum of Five Dollars (\$5.00) and to the extent the applicable Long Distance Charges are in excess of Five Dollars (\$5.00), shall receive a prepaid long distance calling card rounded up to the next five dollar increment where the Long Distance Charge is greater than 50% of the next five dollar increment. For example:

Long Distance Charges	Prepaid Credit Card
\$.01 to 7.49	\$ 5.00
\$ 7.50 to 14.49	\$ 10.00
\$ 14.50 to 17.49	\$ 15.00
\$ 17.50 to 22.49	\$ 20.00

Claim Form

3. The Claim Form shall be available electronically in a pdf format and available for download at the following websites:
 - (a) Bell at www.bell.ca/classaction or www.bell.ca/recourscollectif ; and
 - (b) Class Counsel at www.lauzonbelanger.qc.ca and www.classactionlaw.ca.

Alternatively, the Claim Form may be requested by contacting a representative of Bell Canada at 1 866 556 9331 (Ontario) and 1 866 556 9308 (Quebec).

4. The Request for Reimbursement as prescribed under Section 1 above by a Class Member whether by facsimile transmission, email or telephone call must be completed and sent by the Class Member within 120 days of the Court Approval Date meaning before September 8, 2004, failing which the Class Member shall not be entitled to receive the benefits contemplated by this Settlement Agreement.

5. Within 60 days following receipt of the Request for Reimbursement, Bell Canada shall deliver the applicable prepaid long distance calling card to the Class Member by ordinary mail to the address set out on the Claim Form or as otherwise advised by the Class Member.

Appendix C

OPT OUT FORM

I wish to opt out of the settlement in respect of the Bell Canada First Rate Plan.

Please Print

Current Telephone Number
including Area Code

Name

Address

Previous Telephone Number
including Area Code

DATE

CUSTOMER SIGNATURE

TO CONSTITUTE A VALID OPT OUT, THIS OPT OUT FORM MUST BE POST-MARKED OR DELIVERED BEFORE JULY 27, 2004 TO: OPT OUT ADMINISTRATOR, MR. DANIEL ROZON, RAYMOND CHABOT GRANT THORNTON, 2505 ST. LAURENT BOULEVARD, OTTAWA, ONTARIO, K1H 1E4 WITHIN 75 DAYS OF THE 4TH DAY OF MAY, 2004.

APPENDIX D

In the Ontario Superior Court of Justice
(Court File No. 02-6556-CP)

In the Quebec Superior Court
(Court File No. 500-06-000121-000)

RICHARD SAJECKI

Plaintiff

UNION DES CONSOMMATEURS AND SUZANNE
LABBÉ

Plaintiff

v.

BELL CANADA

Defendant

v.

BELL CANADA

Defendant

LEGAL NOTICE

Proposed Settlement of Class Actions regarding the Bell Canada First Rate Plan

YOU SHOULD READ THIS NOTICE if you were a Bell Canada First Rate Plan Customer on or before September 27, 2000

Why this Notice has been published

An Agreement has been reached between Bell Canada and the Plaintiffs in the class actions listed below, one in Ontario and one in Quebec. The class actions primarily relate to allegations against Bell Canada regarding unilateral changes to the Bell First Rate Plan. Bell Canada denies the allegations. In the interests of enhancing customer satisfaction and to provide a final resolution of the class actions, Bell Canada has agreed to provide to customers the benefits specified in the Agreement after the Agreement becomes effective.

The Agreement does not become effective until after the Courts in Ontario and Quebec have approved the Agreement and, in Ontario, certified the action as a class action.

If the Agreement is approved by the Courts, and its conditions satisfied, all Bell Canada First Rate Plan Customers as of September 27, 2000 will be bound by its terms unless they opt-out. If you are such a customer, you are entitled to participate in a Court hearing, as set out below.

If the Agreement is approved, there will be a further court-approved notice setting out the terms of the Agreement and the rights of customers under it, including the procedure to opt-out.

SUMMARY OF BENEFITS UNDER THE AGREEMENT

The Agreement provides benefits to all who were Bell Canada First Rate Plan Customers on or before September 27, 2000, and who were affected by alleged unilateral changes to the Bell Canada First Rate Plan as set out in the class actions.

You do not need to take part in the Court hearings, or do anything else at this time to be eligible for these benefits. If the Agreement is approved, Bell Canada will provide further information explaining the benefits, and how the settlement will be administered. The benefits summarized below are described fully in the Agreement.

REDUCTION OF CALL WINDOW

In fall 2000, Bell Canada reduced the First Rate Plan call window from 6:00 p.m. to 8:00 a.m. to 6:00 p.m. to 6:00a.m., removing the 2 hours from 6:00 a.m. to 8:00 a.m. resulting in customers paying regular daytime long distance charges for calls made during those hours.

The Agreement provides for a reimbursement of those additional charges for a period of 60 days following November 16, 2000, net of applicable legal fees and expenses.

Class Members who are Bell Canada Customers on the Court Approval Date are entitled to reimbursement through Bell Canada records and will receive a telephone bill credit.

800 PLUS MINUTES OF LONG DISTANCE PER MONTH

In fall 2000, Bell Canada altered the First Rate Plan so that customers would be charged for each minute of long distance calling over 800 minutes per month whereas previously First Rate Plan Customers had been entitled to make unlimited long distance calls under the fixed First Rate Plan charge.

The Agreement provides for reimbursement of those additional charges for a period of 60 days following September 28, 2000, net of applicable legal fees and expenses.

Class Members who are Bell Canada Customers on the Court Approval Date are entitled to reimbursement through Bell Canada records and will receive a telephone bill credit.

CLAIM PROCESS

Class Members who cannot be identified from Bell Canada records will be entitled to apply for a prepaid long distance calling card through a claim process which requires submission of a Claim form with which Bell Canada can confirm entitlement to benefits.

HOW TO PARTICIPATE IN THE COURT HEARINGS

If you were a Bell Canada First Rate Plan Customer on or before September 27, 2000 and are affected by the alleged unilateral changes to the Bell Canada First Rate Plan as described in the class actions, and if you wish to object to the settlement, you have the right to participate in the Court hearing that applies to you, as follows:

ONTARIO

Richard Sajecki v. Bell Canada, Court File No. 02-6556-CP

- For all residents of Ontario

QUEBEC

Union Des Consommateurs and Suzanne Labbe v. Bell Canada, Court File No. 500-06-000121-000

- For all residents of Quebec

If you were a Bell First Rate Plan Customer on or before September 27, 2000 and affected by the alleged unilateral changes to the Bell First Rate Plan, you do not need to do anything now to be eligible to receive benefits under the Agreement if it is approved by the Courts. You do not need to participate in a Court hearing.

If you wish, you may hire your own lawyer to represent you at the hearing. If you do, you are responsible for paying your own lawyer's fees and expenses. In addition, the Court may decide to hold you responsible for the costs of other parties' involvement in connection with your participation.

To participate in the Court hearing, you or your lawyer must:

- prepare a written Notice of Appearance, which sets out the name, address and telephone number of you and your lawyer and the relevant Court File No. and case name;
- prepare a written Statement of Objection to the Agreement approval. This Statement of Objection should set out the specific reasons for your objection, including any legal authority you wish to bring to the Court's attention and any evidence you wish to introduce in support of your objection.

At least 10 days before the hearing date:

- Deliver these documents, by fax, courier, mail or in person (to the lawyers for Bell Canada and the Plaintiff's lawyers in the Province for the Court Hearing that applies to you);
- File a copy of these documents with the Court, along with proof that you delivered them.

If you file a Notice of Appearance and Statement of Objection, you or your lawyer may also appear at the Court hearing and address the Court.

All Statement of Objections and Notices of Appearance must be served on Bell Canada's lawyers and the Plaintiff's lawyers in the Province applicable to you and then be filed with that court no later than 10 days before the hearing.

LOCATION AND TIME OF HEARINGS

The Court hearings to decide whether or not to approve the Agreement and, in the Province of Ontario, certify the action as a class action, will be held as follows:

**Ontario: April 22nd, 2004
at 2:15 p.m.
Ontario Superior Court
of Justice
45 Main Street East
Hamilton, Ontario
L8N 2B7**

**Quebec: May 4th, 2004
at 10:00 a.m.
Quebec Superior Court
1 Notre Dame Street East
Montreal, Quebec**

The Lawyers for the Plaintiffs who are parties to the settlement as follows:

ONTARIO

David Thompson/Jeffrey Teal
Scarfone Hawkins LLP
One James Street South, 14th Floor
Hamilton, Ontario, L8N 3P9
Telephone: (905) 523-1333
Fax: (905) 523-5878
website: www.classactionlaw.ca

QUEBEC

Michel Belanger/Yves Lauzon
Lauzon Belanger S.E.N.C.
511 Place D'Armes, Suite 200
Montreal, Quebec, H2Y 2W7
Telephone: (514) 287-1000
Fax: (514) 844-7009
website: www.lauzonbelanger.qc.ca

Bell Canada's lawyers:

ONTARIO

Bonnie Tough
Hodgson Tough Shields DesBrisay O'Donnell LLP
Suite 550, 36 Toronto Street
Toronto, Ontario, M5C 2C5
Telephone: (416) 304 6400
Fax: (416) 304-6406

QUEBEC

Jean-Rene Laroche
Laroche Legault
1000, de la Gauchetiere West, suite 4100
Montreal, Quebec, H3B 5H8
Telephone: (514) 870 5265
Fax: (514) 870 4807

A copy of the Agreement is available in English and French. To obtain a copy, please send your request to Bell Canada at Bell Canada, C.P. 1111, Succursale Maison de la poste, Montreal, Quebec, H3B 3K9

PUBLICATION OF THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR COURT OF JUSTICE AND THE QUEBEC SUPERIOR COURT.

APPENDIX E

Canadian Newspapers

The Globe and Mail
The Gazette
Journal De Montreal
Journal De Quebec
La Presse
Toronto Star

APPENDIX F

In the Ontario Superior Court of Justice
(Court File No. 02-6556-CP)

In the Quebec Superior Court
(Court File No. 500-06-000121-000)

RICHARD SAJECKI

Plaintiff

UNION DES CONSOMMATEURS AND SUZANNE
LABBÉ

Plaintiff

v.

BELL CANADA

Defendant

v.

BELL CANADA

Defendant

LEGAL NOTICE

Notice of Certificate and Approval of Class Action settlement to all Bell Canada First Rate Plan Customers on or before September 27, 2000

YOU SHOULD READ THIS NOTICE if you were a Bell Canada First Rate Plan Customer on or before September 27, 2000, as described below

A class action settlement has received court approval and is now being implemented. The settlement was reached between Bell Canada and the Plaintiffs in class actions in Ontario and Quebec.

The class actions relate primarily to allegations against Bell Canada concerning unilateral changes to the Bell First Rate Plan.

The Courts in Ontario and Quebec have certified the law suits to proceed as class actions and have approved the Settlement Agreement, which applied to all Bell Canada First Rate Plan Customers on or before September 27, 2000.

If you were a Bell Canada First Rate Plan Customer on or before September 27, 2000 and were affected by alleged unilateral changes to the Bell Canada First Rate Plan, you may be eligible for benefits under the Settlement Agreement.

SUMMARY OF BENEFITS UNDER THE AGREEMENT

The Agreement provides benefits to all who were Bell First Rate Plan Customers on or before September 27, 2000, and who were affected by alleged unilateral changes to the Bell First Rate Plan as set out in the class actions.

The benefits summarized below are described fully in the Agreement.

REDUCTION OF CALL WINDOW

In fall 2000, Bell Canada reduced the First Rate Plan call window from 6:00 p.m. to 8:00 a.m., to 6:00 p.m. to 6:00 a.m., removing the 2 hours from 6:00 a.m. to 8:00 a.m., resulting in customers paying regular daytime long distance charges for calls made during those hours.

The Agreement provides for a reimbursement of those additional charges for a period of 60 days following November 16, 2000, net of applicable legal fees and expenses.

Class Members who are Bell Canada Customers on the Court Approval Date are entitled to reimbursement through Bell Canada records and will receive a telephone bill credit.

800 PLUS MINUTES OF LONG DISTANCE PER MONTH

In fall 2000, Bell Canada altered the First Rate Plan so that customers would be charged for each minute of long distance calling over 800 minutes per month whereas previously First Rate Plan Customers had

been entitled to make unlimited long distance calls under the fixed First Rate Plan charge.

The Agreement provides for a reimbursement of those additional charges for a period of 60 days following September 28, 2000, net of applicable legal fees and expenses.

Class Members who are Bell Canada Customers on the Court Approval Date are entitled to reimbursement through Bell Canada records and will receive a telephone bill credit.

CLAIM PROCESS

Class Members who are no longer Bell Canada's clients will be entitled to apply for a prepaid long distance calling card through a claim process which requires submission of a Claim Form which must be completed and forwarded before September 8, 2004, accompanied with, if available, telephone invoices from September 2000 to January 2001.

ADDITIONAL INFORMATION

If you have any questions about the Agreement or if you want to obtain the Claim Form or Opt-out Form, contact:

Bell Canada
Toll Free at 1-866-556-9331 (Ontario)/1-866-556-9308 (Quebec)

between 8:00 a.m. and 5:00 p.m. EDT

Bell Canada's website: www.bell.ca/classaction
www.bell.ca/recourscollectif

The Lawyers for the Plaintiffs who are parties to the settlement as follows:

ONTARIO

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Fax: (905) 523-5878
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Fax: (514) 870 4807

OPTING OUT

You may choose to opt out and exclude yourself from the settlement. If you opt out, you will not be entitled to receive any settlement benefits. You will not be able to pursue a lawsuit or make any other claim relating to the matters covered by the settlement unless you opt-out.

If you wish to opt out, you must send the opt out form before July 27, 2004 to:

Raymond Chabot Grant Thornton LLP
Mr. Daniel Rozon
2505 St-Laurent Blvd
Ottawa, Ontario K1H 1E4

To constitute a valid opt out, this form must be postmarked or delivered at the address on the form within 75 days of the 10th day of May, 2004.

DISTRIBUTION AND PUBLICATION OF THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR COURT OF JUSTICE AND THE QUEBEC SUPERIOR COURT.

APPENDIX G
CLAIM FORM

I hereby certify I was a Bell Canada Customer with the corresponding telephone number set out below and am the individual entitled to reimbursement under the Settlement Agreement dated _____, 2004. I wish to participate in the settlement in respect of the Bell Canada First Rate Plan.

Please Print

Telephone Number including Area Code
as of September 28, 2000

Current Telephone Number

Name

Address as of September 28, 2000

Current Address

DATE

CUSTOMER SIGNATURE

**IF AVAILABLE, PLEASE ENCLOSE YOUR TELEPHONE INVOICES FROM
SEPTEMBER 2000 TO JANUARY 2001.**

This Claim Form may be submitted to Bell Canada before September 8, 2004 as follows:

1. By email transmission to Bell Canada at: recourscollectif@bell.ca and classactionsuit@bell.ca
2. By mail to Bell Canada at: P.O. Box 1111, Station Maison de la poste, Montreal (Quebec)
H3B 3K9