EXECUTION COPY

February 23, 2011

Bell Aliant Inc.
Bell Aliant Regional Communications Inc.
Bell Aliant Preferred Equity Inc.
c/o Bell Aliant Regional Communications Inc.
7 South Maritime Centre
1505 Barrington Street
Halifax, NS
B4J 2W3

Attention: Glen LeBlanc
Executive Vice President and
Chief Financial Officer

Dear Sirs:

RE: Bell Aliant Preferred Equity Inc. – Offering of Cumulative 5-Year Rate Reset Preferred Shares, Series A

Underwriting Agreement

BMO Nesbitt Burns Inc., Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., TD Securities Inc., Desjardins Securities Inc., National Bank Financial Inc., Canaccord Genuity Corp., HSBC Securities (Canada) Inc., GMP Securities L.P. and Beacon Securities Limited (collectively, the "**Underwriters**" and, individually, an "**Underwriter**") understand that Bell Aliant Preferred Equity Inc. (the "**Corporation**"), a wholly-owned direct subsidiary of Bell Aliant Regional Communications Inc. (the "**Guarantor**"), proposes (i) to create, authorize, issue and sell in the Qualifying Jurisdictions (as hereinafter defined) 10,000,000 cumulative 5-year rate reset preferred shares, series A of the Corporation (the "**Series A Preferred Shares**"), (ii) to create and authorize the cumulative floating rate preferred shares, series B of the Corporation ("**Series B Preferred Shares**") and (iii) issue the Series B Preferred Shares on the conversion from time to time of the Series A Preferred Shares and issue the Series A Preferred Shares on the conversion from time to time of the Series B Preferred Shares, in each case as described in the Prospectuses (as hereinafter defined).

The Underwriters understand that the obligations of the Corporation with respect to the Series A Preferred Shares and the Series B Preferred Shares will be fully and unconditionally guaranteed on a subordinated basis by the Guarantor (the "**Guarantees**") as described in the Prospectuses (as hereinafter defined). The Underwriters also understand that

Bell Aliant Inc. ("**Bell Aliant**") will, as described in the Prospectuses and concurrently with the issuance of the Series A Preferred Shares by the Corporation, enter into an agreement with the Corporation (the "**Nominating Agreement**") conferring the right on the Corporation, for the benefit of the holders from time to time of Series A Preferred Shares and Series B Preferred Shares, to appoint a person to the board of directors of Bell Aliant and/or to nominate a person for election to the board of directors of Bell Aliant in certain circumstances as set out in the Nominating Agreement.

The Underwriters further understand that, subject to the terms of this Agreement, the Corporation intends to use the net proceeds of the Offering (as hereinafter defined) to make a loan to the Guarantor which in turn intends to lend substantially all of such amount to Bell Aliant Regional Communications, Limited Partnership, to be used to make a lump-sum voluntary contribution to certain of Bell Aliant's pension plans and for general business purposes, including the repayment of indebtedness under Bell Aliant Regional Communications, Limited Partnership's commercial paper program and the financing of fibre and other investments.

Upon and subject to the terms and conditions contained herein, the Underwriters hereby severally, and not jointly and severally, agree to purchase from the Corporation, in the respective percentages set out in Section 13.1 and, by its acceptance hereof, the Corporation agrees to sell to the Underwriters, an aggregate of 10,000,000 Series A Preferred Shares (the "**Offered Shares**") at a price of $25.00 per Offered Share.

Upon and subject to the terms and conditions contained herein, the Corporation hereby grants to the Underwriters an option (the "**Underwriters' Option**") to purchase severally, and not jointly nor jointly and severally, in the respective percentages set out in Section 13.1, up to an additional 1,500,000 Series A Preferred Shares (the "**Option Shares**") to be offered and sold on the same terms as the offer and purchase of the Offered Shares contemplated by this Agreement. The Underwriters' Option may be exercised in accordance with Section 10 hereof.

In consideration of the Underwriters' agreement to purchase the Offered Shares and to offer them to the public in the Qualifying Jurisdictions (as hereinafter defined), which agreement will result from the execution of this letter by all parties, and in consideration of the services rendered and to be rendered by the Underwriters in connection herewith, the Corporation agrees to pay to the Underwriters the Underwriting Fee as contemplated by Section 3.2 hereof.

The Underwriters acknowledge that pursuant to the amended and restated securityholders' agreement dated January 1, 2011 among Bell Aliant, the Guarantor, Bell Aliant Regional Communications, Limited Partnership, 6583458 Canada Inc., BCE Inc. and Bell Canada, prior to the issuance of any Series A Preferred Shares or Series B Preferred Shares, the Corporation must offer to sell to BCE Inc. or Bell Canada such securities in proportion to BCE's and Bell Canada's then current direct or indirect ownership of the common shares of Bell Aliant (the "**Pre-Emptive Right**"). While the parties hereto understand that BCE Inc. and Bell Canada will waive the Pre-Emptive Right in respect of the Offered Shares and the Option Shares (as hereinafter defined) prior to the Time of Delivery (as hereinafter defined), for greater certainty the Underwriters further acknowledge and agree that, notwithstanding anything to the contrary in this Agreement, the Underwriters will not be entitled to receive any commission or other fees in respect of any Series A Preferred Shares or Series B Preferred Shares sold to BCE Inc. or Bell Canada pursuant to the Pre-Emptive Right.

1. Definitions.

In this Agreement:

“Agreement” means this agreement, as amended from time to time;

“Bell Aliant” means Bell Aliant Inc.**;**

“Bell Aliant Group” means, collectively, Bell Aliant Inc. and its direct and indirect subsidiaries;

“Business Day” means any day, other than a Saturday or Sunday, that is not a day on which banking institutions are authorized or required by law or regulation to be closed in the relevant place;

“**Closing Date**” has the meaning attributed thereto Section 3.1 of this Agreement;

“Corporation” has the meaning attributed thereto in the first paragraph of this Agreement;

“Corporation’s Counsel” means Blake, Cassels & Graydon LLP or such other legal counsel retained by the Corporation and acceptable to the Underwriters, acting reasonably;

“DBRS” means DBRS Limited;

“**Final Receipt**” means the final receipt issued by the Nova Scotia Securities Commission in its capacity as principal regulator of the Corporation in accordance with the Passport System, representing the deemed receipt of each of the Securities Commissions;

“**Financial Information**” means, collectively:

(a) the financial information referred to in items (b) and (c) under the heading “Documents Incorporated by Reference - Bell Aliant (successor to the Fund)” in the Prospectuses;

(b) the financial information referred to in items (b), (c) and (d) under the heading “Documents Incorporated by Reference - Bell Aliant GP (successor to Bell Aliant Holdings LP)” in the Prospectuses;

(c) the financial information under the heading “Consolidating Summary Financial Information” in the Prospectuses;

(d) the consolidated capitalization of the Guarantor under the heading "Consolidated Capitalization of Bell Aliant GP" in the Prospectuses;

(e) the consolidated capitalization of the Corporation under the heading "Consolidated Capitalization of the Corporation" in the Prospectuses; and

(f) the financial information under the headings "Pro Forma Consolidated Capitalization" and "Audited Balance Sheet of Bell Aliant Inc." in Appendix "F" and in Appendix "G" of the management information circular of Bell Aliant Regional Communications Income Fund dated May 7, 2010;

"Guarantees" has the meaning attributed thereto in the second paragraph of this Agreement;

"Guarantor" has the meaning attributed thereto in the first paragraph of this Agreement;

"Initial Purchase Price" has the meaning attributed thereto in Section 5.1 of this Agreement;

"**Institutions**" means those institutions and other purchasers, if any, as the Underwriters and the Corporation may agree upon in writing;

"**Lead Underwriters**" means BMO Nesbitt Burns Inc. and Scotia Capital Inc. acting as joint lead managers and book-runners in respect of the Offering;

"material or materially" when used in relation to any entity within the Bell Aliant Group, means material in relation to such entity and its Subsidiaries taken as a whole, as determined by such entity, acting reasonably;

"material change", **"material fact"** and **"misrepresentation"** have the meanings attributed thereto under applicable Securities Laws;

"**NI 44-101**" means National Instrument 44-101 – *Short Form Prospectus Distributions*;

"**Nominating Agreement**" has the meaning attributed thereto in the second paragraph of this Agreement;

"Offered Shares" has the meaning attributed thereto in the fourth paragraph of this Agreement;

"Offering" means the distribution of the Offered Shares and Option Shares, if any, as contemplated in the Prospectuses;

"Option Shares" has the meaning attributed thereto in the fifth paragraph of this Agreement;

"**Option Time of Delivery**" has the meaning attributed thereto in Section 10 of this Agreement;

"**Passport System**" means the procedure provided for under Multilateral Instrument 11-102 – Passport System and National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;

"Person" means any natural person, legal person, body corporate, firm, partnership, joint venture or other incorporated association, trust, foundation, government or governmental authority, and pronouns have a similarly extended meaning;

"Pre-Emptive Right" has the meaning attributed thereto in the seventh paragraph of this Agreement;

"**Preliminary Receipt**" means the preliminary receipt issued by the Nova Scotia Securities Commission in its capacity as principal regulator in accordance with the Passport System, representing the deemed receipt of each of the Securities Commissions;

"Preliminary Prospectus" means the preliminary short form prospectus of the Corporation relating to the qualification for distribution of the Offered Shares in the Qualifying Jurisdictions to be dated and filed on or about February 23, 2011, in both the English and French languages, including the documents or information incorporated or deemed to be incorporated therein by reference as well as all documents or information incorporated or deemed to be incorporated by reference into any of the documents incorporated or deemed to be incorporated by reference into such preliminary short form prospectus;

"Prospectus" means the (final) short form prospectus of the Corporation relating to the qualification for distribution of the Offered Shares in the Qualifying Jurisdictions that is expected to be dated and filed on or about March 2, 2011, in both the English and French languages, including the documents or information incorporated or deemed to be incorporated therein by reference as well as all documents or information incorporated or deemed to be incorporated by reference into any of the documents incorporated or deemed to be incorporated by reference into such (final) short form prospectus;

"Prospectus Amendment" means an amendment to the Prospectus, in both the English and French languages;

"Prospectuses" means, collectively, the Preliminary Prospectus and the Prospectus and any Prospectus Amendment;

"**Qualifying Jurisdictions**" means all of the provinces and territories of Canada;

"**S&P**" means Standard & Poor's Rating Services, a Division of the McGraw-Hill Companies (Canada) Corporation;

"Securities Commissions" means the securities commission or the securities regulatory authority in each of the Qualifying Jurisdictions;

"Securities Laws" means the securities acts or similar statutes of the Qualifying Jurisdictions and all applicable regulations, rules, national instruments, policy statements, notices and blanket orders or rulings thereunder, in each case as amended from time to time;

"Selling Firms" has the meaning attributed thereto in Section 5.1(a) of this Agreement;

"**Series A Preferred Shares**" has the meaning attributed thereto in the first paragraph of this Agreement;

"**Series B Preferred Shares**" has the meaning attributed thereto in the first paragraph of this Agreement;

"Subsidiary" or **"Subsidiary Corporation"** means any Person directly or indirectly controlled by any entity within the Bell Aliant Group; and for the purposes of this definition, an entity within the Bell Aliant Group shall be deemed to control a Person if such entity within the Bell Aliant Group beneficially owns, directly or indirectly, more than 50% of the votes attached to all outstanding voting shares, units or interests of such Person, and a Person shall be deemed beneficially to own shares, units or interests beneficially owned by a Person controlled by him, and so on indefinitely;

"**Supplementary Material**" means, collectively, any Prospectus Amendment or any ancillary materials that may be filed by or on behalf of the Corporation, the Guarantor or Bell Aliant under the applicable Securities Laws relating to the distribution of the Offered Shares;

"**Time of Delivery**" has the meaning attributed thereto Section 3.1 of this Agreement;

"**TSX**" means the Toronto Stock Exchange;

"Underwriter" and **Underwriters"** have the meanings attributed thereto in the first paragraph of this Agreement;

"Underwriters' Counsel" means Ogilvy Renault LLP or such other legal counsel retained by the Underwriters and acceptable to the Guarantor, acting reasonably;

"Underwriters' Option" has the meaning attributed thereto in the fifth paragraph of this Agreement; and

"Underwriting Fee" has the meaning attributed thereto Section 3.2 of this Agreement.

2. Filing of Prospectus.

The Corporation shall file the Preliminary Prospectus in the English and French languages and all other documents required under applicable Securities Laws with the Securities Commissions and obtain a Preliminary Receipt dated not later than February 23, 2011 (or such later date or dates as may be agreed to in writing by the Underwriters).

The Corporation shall file the Prospectus in the English and French languages and all other documents required under the applicable Securities Laws with the Securities

Commissions, obtain a Final Receipt and otherwise fulfil all legal requirements to enable the Offered Shares to be offered and sold to the public in each of the Qualifying Jurisdictions through the Underwriters or any other investment dealer or broker registered in the applicable jurisdiction, not later than 5:00 p.m. (Halifax time) on March 2, 2011 (or such later date or dates as may be agreed to in writing by the Underwriters).

The Corporation agrees to allow the Underwriters, prior to the filing of the Prospectuses, to participate fully in the preparation of the Prospectuses and such other documents as may be required under applicable Securities Laws to qualify the distribution of the Offered Shares in the Qualifying Jurisdictions and, prior to the Closing Date, to allow the Underwriters to conduct all due diligence which the Underwriters may reasonably require in order to:

(a) confirm the information contained in the Prospectuses including in the documents incorporated by reference therein;

(b) fulfil the Underwriters' obligations as Underwriters; and

(c) enable the Underwriters to responsibly execute the certificates in the Prospectuses required to be executed by the Underwriters.

3. Closing and Underwriting Fee.

3.1. The purchase of the Offered Shares by the Underwriters for the purchase price provided herein shall be completed at the office of Blake, Cassels & Graydon LLP, Toronto, Ontario or such other place as the Corporation and the Underwriters may agree, at 8:00 a.m. (Toronto time) on March 9, 2011 (the "**Closing Date**"). The time and date for delivery of the Offered Shares is herein called the "**Time of Delivery**".

3.2. In consideration for the Underwriters' services in assisting in the preparation of the Preliminary Prospectus, the Prospectus and any Supplementary Material, forming and managing banking, selling or other groups in connection with the distribution of the Offered Shares, distributing the Offered Shares, both directly and through other registered dealers and brokers and all other matters in connection with the issue and sale of the Offered Shares, the Corporation and the Guarantor agree, on a joint and several basis, to pay (without duplication) to the Underwriters by certified cheque, wire transfer or a direction of the Corporation to the Underwriters to advance the gross amount of the proceeds of the Offering, less the amount of the Underwriting Fee (as hereinafter defined), to the Corporation, at the Time of Delivery, a fee (the "**Underwriting Fee**") equal to (i) 1% of the aggregate gross proceeds to the Corporation from the sale of the Offered Shares sold to Institutions, and (ii) 3% of the aggregate gross proceeds to the Corporation from the sale of the Offered Shares sold to all other purchasers.

4. Delivery of Documents.

4.1. The Corporation shall deliver or cause to be delivered to the Underwriters and the Underwriters' counsel prior to or contemporaneously, as nearly as practicable, with the filing with the Securities Commissions of each of the Preliminary Prospectus and the Prospectus, a copy of each of the following (except for the comfort letter referred to in Section 4.1(c), which shall only be delivered prior to or contemporaneously with the filing of the Prospectus):

(a) the Preliminary Prospectus or the Prospectus, as the case may be, in the English and French languages, as filed with the Securities Commissions, each signed by the Corporation, by Bell Aliant and by the Guarantor, in its capacity as guarantor, as required by applicable Securities Laws;

(b) at the time of delivery of the French language version of the Preliminary Prospectus or the Prospectus to the Underwriters pursuant to this Section 4.1: (i) an opinion of Corporation's Counsel addressed to the Underwriters, the Corporation, the Guarantor and Underwriters' Counsel, in form and substance satisfactory to the Underwriters, acting reasonably, to the effect that the French version thereof (except for the Financial Information which is the subject of the opinion of the auditors referred to below, as to which no opinion need be expressed by Corporation's Counsel) is in all material respects a complete and proper translation of the English version thereof; and (ii) an opinion of Bell Aliant's auditors addressed to the Underwriters, the Corporation, the Guarantor and their respective counsel in form and substance satisfactory to the Underwriters, acting reasonably, to the effect that the French version of the Financial Information set forth therein is in all material respects a complete and proper translation of the English version thereof; and

(c) at the time of delivery of the Prospectus to the Underwriters pursuant to this Section 4.1, one or more long-form comfort letters from Bell Aliant's and the Guarantor's auditors dated the date of the Prospectus and satisfactory in form and substance to the Underwriters, with respect to the financial and accounting information contained in the Prospectus, which comfort letters shall be based on a review by the auditors having a cut-off date of not more than two Business Days prior to the date of the comfort letters and shall be in addition to any comfort letters which must be filed with securities regulatory authorities pursuant to applicable Securities Laws. Should the audited financial statements of the predecessors to Bell Aliant and the Guarantor, respectively, for the fiscal year ended December 31, 2010 (and related management's discussion and analysis thereon) be filed after the Final Prospectus is filed but before the completion by the Underwriters of the distribution of the Offered Shares and, as applicable, the Option Shares hereunder, the Corporation shall deliver or cause to be delivered contemporaneously with such filing, one or more long-form comfort letters from the relevant auditors dated the date of delivery and satisfactory in form and substance to the Underwriters, with respect to the additional financial and accounting information incorporated by reference in the Prospectus.

4.2. Each delivery to the Underwriters of the Prospectuses shall constitute a representation and warranty by the Corporation, the Guarantor and Bell Aliant to the Underwriters that:

(a) the information and statements contained in the Prospectuses (except any information and statements relating solely to the Underwriters) constitutes full, true and plain disclosure of all material facts relating to the Corporation, the Guarantor, the Offered Shares and the Series B Preferred Shares;

(b) the Prospectuses do not contain a misrepresentation; and

(c) the Prospectuses comply fully as to form with applicable Securities Laws.

4.3. Such delivery shall also constitute the consent of each of the Corporation, the Guarantor and Bell Aliant to the use of the Prospectuses by the Underwriters in connection with the distribution of the Offered Shares in the Qualifying Jurisdictions.

4.4. The Corporation shall deliver to the Underwriters, as soon as practicable and in any event within two Business Days of filing the Preliminary Prospectus or the Prospectus, as the case may be, with the Securities Commissions, at offices designated by the Underwriters, such number of commercial copies of the Preliminary Prospectus or the Prospectus as the Underwriters may reasonably request by instructions to the printer thereof given no later than the day prior to the time when the Corporation plans to authorize the printing of the commercial copies of the Preliminary Prospectus or Prospectus, as the case maybe. The Corporation shall as soon as possible following a request cause to be delivered to the Underwriters such additional commercial copies of the Preliminary Prospectus or the Prospectus in such numbers and in such Canadian cities as the Underwriters may reasonably request from time to time.

4.5. The Corporation shall from time to time deliver to the Underwriters, as soon as practicable at the offices designated by the Underwriters pursuant to Section 4.4, the number of commercial copies of any Prospectus Amendment which the Underwriters may from time to time reasonably request.

5. <u>Distribution of Offered Shares</u>.

5.1. The Underwriters, severally and not jointly nor jointly and severally, covenant and agree with the Corporation:

(a) to offer the Offered Shares for sale to the public, directly and through other investment dealers and brokers (the Underwriters, together with such other investment dealers and brokers, referred to herein as the "**Selling Firms**"), only in compliance with applicable Securities Laws, upon the terms and conditions set forth in the Prospectuses, any Prospectus Amendment and this Agreement;

(b) not to solicit offers to purchase or to sell the Offered Shares so as to require the filing of a prospectus with respect to the distribution of the Offered Shares or the registration of the Offered Shares under the laws of any Jurisdiction, including the United States, other than the Qualifying Jurisdictions, and will require the Selling Firms to agree with the Underwriters not to so solicit or sell; and

(c) to use reasonable commercial efforts to complete and to cause the Selling Firms to complete the distribution of the Offered Shares as soon as possible after the Time of Delivery.

The Underwriters propose to offer the Offered Shares initially at a price of $25.00 per Offered Share (the "**Initial Purchase Price**"). After a reasonable effort has been made to sell all of the Offered Shares, or any of them, at the Initial Purchase Price, the Underwriters may subsequently reduce and thereafter change, from time to time, the price at which the Offered Shares are offered to an amount not greater than the Initial Purchase Price.

For purposes of this Section 5.1, the Underwriters shall be entitled to assume that the Offered Shares are qualified for distribution in any province or territory of Canada where a receipt for the Prospectus has been obtained from the applicable Securities Commission following the filing of the Prospectus unless the Underwriters receive notice to the contrary from the Corporation or the applicable Securities Commission. Notwithstanding the foregoing, no Underwriter will be liable to the Corporation under this section with respect to a default by another Underwriter under this section if the Underwriter first mentioned is not itself in violation.

5.2. BMO Nesbitt Burns Inc. and Scotia Capital Inc. (together the "**Lead Underwriters**"), as joint lead managers and book-runners, will notify the Corporation when, in their opinion, the Underwriters have ceased distribution of the Offered Shares and shall, as soon as practicable, provide the Corporation with a breakdown of the number of Offered Shares distributed in each of the Qualifying Jurisdictions where such breakdown is required for the purpose of calculating fees payable to a Securities Commission.

6. <u>Material Changes</u>.

6.1. During the period from the date hereof until the completion of the distribution of the Offered Shares, each of the Corporation, the Guarantor and Bell Aliant shall promptly notify the Lead Underwriters, on behalf of the Underwriters, in writing, with full particulars, of:

(a) any change (actual, contemplated or threatened) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation, the Guarantor or Bell Aliant;

(b) any change in any matter covered by a statement (other than a statement relating only to the Underwriters) contained in the Prospectuses or any Prospectus Amendment; or

(c) any fact which has arisen or has been discovered and would have been required to have been stated in the Prospectus or any Prospectus Amendments had that fact arisen or been discovered on, or prior to, the date of such documents (whether or not occurring before or after the date of Prospectuses);

which is, or may be, of such a nature as to render the Prospectus or any Prospectus Amendment misleading or untrue in any material respect or would result in any of such documents containing a misrepresentation or which would result in any of such documents not complying with any applicable Securities Laws or which would reasonably be expected to have a significant effect on the market price or value of the Offered Shares.

6.2. Each of the Corporation, the Guarantor and Bell Aliant shall in good faith discuss with the Underwriters any change, event or circumstance (actual or proposed within its knowledge) which is of such a nature that there is reasonable doubt whether notice need be given to the Underwriters pursuant to this section and, in any event, prior to making any filing referred to in Section 6.3.

6.3. The Corporation, the Guarantor and Bell Aliant shall promptly comply to the reasonable satisfaction of the Underwriters and their counsel with any applicable filing and other requirements under applicable Securities Laws arising as a result of any change, event or circumstance referred to in Section 6.1 above and shall prepare and file under all applicable Securities Laws, with all possible dispatch, and in any event within any time limit prescribed under applicable Securities Laws, any Supplementary Material as may be necessary or advisable, in the reasonable opinion of the Underwriters, under applicable Securities Laws; provided that the Corporation, the Guarantor and Bell Aliant shall allow the Underwriters and their counsel to participate fully in the preparation of any Supplementary Material and to conduct all due diligence investigations which the Underwriters may reasonably require in order to fulfil their obligations as underwriters and in order to enable the Underwriters to execute responsibly the certificate required to be executed by them in any Prospectus Amendment and the Underwriters shall have approved the form of any Supplementary Material, such approval not to be unreasonably withheld and to be provided in a timely manner. The Corporation, the Guarantor and Bell Aliant shall further promptly deliver to the Underwriters and the Underwriters' counsel a copy of all Supplementary Material in the English and French languages, signed as required by applicable Securities Laws, as well as opinions and letters with respect to each such Prospectus Amendment or other Supplementary Material substantially similar to those referred to in Sections 4.1(b) and 4.1(c) above.

6.4. If prior to the Closing Date there shall be any change in applicable Securities Laws which in the opinion of Corporation's Counsel or of Underwriters' Counsel, acting reasonably, requires the filing of Supplementary Material, the Corporation, the Guarantor and Bell Aliant shall, to the satisfaction of its counsel and Underwriters' Counsel, each acting reasonably, promptly prepare and file, or cause to be promptly prepared and filed, such Supplementary Material with the appropriate Securities Commissions in the Qualifying Jurisdictions where such filing is required.

6.5. The delivery to the Underwriters of each Prospectus Amendment shall constitute a representation and warranty to the Underwriters by each of the Corporation, the Guarantor and Bell Aliant, on a joint and several basis, with respect to the Prospectuses as amended, modified or superseded by such Prospectus Amendment and by each Prospectus Amendment previously delivered to the Underwriters as aforesaid, to the same effect as set forth in Section 4.2 above. Such delivery shall also constitute the consent of the Corporation, the Guarantor and Bell Aliant to the use of the Prospectuses, as amended, by the Underwriters in connection with the distribution of the Offered Shares in the Qualifying Jurisdictions.

6.6. During the period commencing on the date hereof and ending on the completion of the distribution of the Offered Shares, the Corporation, the Guarantor and Bell Aliant will promptly inform the Underwriters of the full particulars of:

(a) any request of any Securities Commission for any amendment to the Prospectuses or for any additional information in respect of the Offering;

(b) the issuance by any Securities Commission or by any other competent authority of any order to cease or suspend trading of any securities of the Corporation, the Guarantor or Bell Aliant or, to the extent permitted by Securities Laws, of the institution or threat of institution of any proceedings for that purpose; or

(c) the receipt by the Corporation, the Guarantor or Bell Aliant of any written communication (including by e-mail) from any Securities Commission, the TSX or any other competent authority relating to the Prospectus or the distribution of the Offered Shares.

7. Representations and Warranties.

7.1. In addition to the representations and warranties given by the Corporation, the Guarantor or Bell Aliant contained elsewhere in this Agreement or in any certificate delivered pursuant to this Agreement, each of the Corporation, the Guarantor and Bell Aliant, jointly and severally, represents and warrants to the Underwriters, and acknowledge that the Underwriters are relying thereon in connection with the transactions contemplated hereby, that:

(a) the Corporation is a corporation duly incorporated, organized and subsisting under the laws of Canada and has all corporate power and authority necessary to own, lease and operate its property and assets and to carry on its business as described in the Prospectus;

(b) the Corporation is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, of which one common share and no preferred shares are validly issued and outstanding as fully paid as of the date hereof, and, immediately prior to the Time of Delivery, 227,768,734 common shares and no preferred shares will be validly issued and outstanding as fully paid;

(c) the Guarantor is the registered and beneficial holder of all of the outstanding common shares of the Corporation;

(d) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery by the Corporation of this Agreement and the performance by the Corporation of its obligations hereunder, including the creation, authorization, issuance, sale and delivery of the Offered Shares, the creation, and authorization of the Series B Preferred Shares and, upon conversion of the Series A Preferred Shares, the issuance and delivery of the Series B Preferred Shares and, upon the conversion of the Series B Preferred Shares, the issuance and delivery of Series A Preferred Shares, and this Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of the

Corporation, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, arrangement laws and laws affecting creditors' rights generally and equitable relief;

(e) the Offered Shares will be duly and validly issued by the Corporation at the Time of Delivery as fully paid and non-assessable shares of the Corporation, and the Series B Preferred Shares and the Series A Preferred Shares will, when issued upon conversion of the Series A Preferred Shares and the Series B Preferred Shares, respectively, in accordance with their respective terms, be duly and validly issued as fully paid and non-assessable shares of the Corporation and, in each case, such shares will have the attributes and characteristics contemplated by this Agreement and the Prospectuses and any Prospectus Amendment;

(f) the Corporation has applied to the TSX to list the Series A Preferred Shares and the Series B Preferred Shares issuable upon conversion thereof;

(g) all necessary corporate action has or will be taken by the Corporation prior to the Time of Delivery to appoint Canadian Stock Transfer Company Inc. as registrar and transfer agent of the Series A Preferred Shares and the Series B Preferred Shares;

(h) the Guarantor is a corporation duly incorporated, organized and subsisting under the laws of Canada and has all corporate power and authority necessary to own, lease and operate its property and assets and to carry on its business as described in the Prospectus, to enter into and perform its obligations under this Agreement and to provide the Guarantees;

(i) all necessary corporate action has been taken by the Guarantor to authorize the execution and delivery by the Guarantor of this Agreement and the Guarantees and the performance by the Guarantor of its obligations hereunder and thereunder, and this Agreement has been, and the Guarantees at Closing will have been, duly executed and delivered by the Guarantor, and this Agreement constitutes, and the Guarantees once executed by the Guarantor will constitute, legal, valid and binding obligations of the Guarantor, enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency, arrangement laws and laws affecting creditors' rights generally and equitable relief;

(j) Bell Aliant is a corporation duly incorporated, organized and subsisting under the laws of Canada and has all corporate power and authority necessary to own, lease and operate its property and assets and to carry on its business as described in the Prospectus;

(k) all necessary corporate action has been taken by Bell Aliant to authorize the execution and delivery by Bell Aliant of this Agreement and the Nominating Agreement and the performance by Bell Aliant of its obligations hereunder and thereunder, and this Agreement has been, and the Nominating Agreement at Closing will have been, duly executed and delivered and this Agreement constitutes, and the Nominating Agreement once executed by Bell Aliant will constitute, legal, valid and binding obligations of Bell Aliant, enforceable against it in accordance with with their respective terms, subject to bankruptcy, insolvency, arrangement laws and laws affecting creditors' rights generally and equitable relief;

(l) each of the material Subsidiaries of Bell Aliant has been duly organized and is validly existing under the laws of its jurisdiction of organization and has all requisite corporate or limited partnership power and authority to own, lease and operate its property and assets and to carry on its business, as now conducted;

(m) the Corporation, the Guarantor, Bell Aliant and each of their respective material Subsidiaries is qualified to carry on business and is validly subsisting under the laws of each jurisdiction in which it carries on its business, except where failure to so qualify would not have a material adverse impact on the business of the Bell Aliant Group and its Subsidiaries, taken as a whole;

(n) each of the Corporation and the Guarantor has the necessary power and authority to execute and deliver the Preliminary Prospectus and the Prospectus, and all necessary corporate action has been taken by each of the Corporation and the Guarantor to authorize the execution and delivery by the Corporation and the Guarantor of the Preliminary Prospectus and the Prospectus and the filing thereof, as the case may be, in each of the Qualifying Jurisdictions under applicable Securities Laws;

(o) none of the Corporation, the Guarantor or Bell Aliant, as applicable, is in default or breach of, and the execution, delivery, performance and compliance of or with the terms of this Agreement, the Nominating Agreement or any of the transactions contemplated hereby and thereby, including the issuance of the Series A Preferred Shares, the issuance of the Series B Preferred Shares upon conversion of the Series A Preferred Shares in accordance with their terms, the issuance of the Series A Preferred Shares upon the conversion of the Series B Preferred Shares in accordance with their terms and the use of proceeds of the Offering described in the Prospectuses, by the Corporation, the Guarantor or Bell Aliant, as applicable, does not and will not result in any breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under, any terms or provisions of the articles or by-laws or other constating or organizational document(s) of the Corporation, the Guarantor or Bell Aliant or any resolutions of the directors or the shareholders of the Corporation, the Guarantor or Bell Aliant, or any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation, the Guarantor or Bell Aliant is a party or by which it is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Corporation, the Guarantor or Bell Aliant, which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) or assets of the Bell Aliant Group, taken as a whole;

(p) the Guarantor is a "reporting issuer" (or equivalent thereof) under applicable Securities Laws in all of the provinces of Canada, except Ontario, and is not in default in any material respect of any requirement under such Securities Laws;

(q) Bell Aliant is a "reporting issuer" (or equivalent thereof) under applicable Securities Laws in all of the provinces of Canada and is not in default in any material respect of any requirement under such Securities Laws;

(r) pursuant to an exemptive relief order granted by the Nova Scotia Securities Commission and the Ontario Securities Commission on behalf of the Securities Commissions dated February 18, 2011, the Corporation is qualified to file a prospectus in the form of a short form prospectus under NI 44-101, and the Corporation will be so qualified at the time of filing the Prospectus;

(s) the description of the assets and liabilities of the predecessors of Bell Aliant, Guarantor and their respective Subsidiaries, taken as a whole, set forth in the Financial Information fairly present, in accordance with generally accepted accounting principles in Canada, the financial position and condition of the predecessors of Bell Aliant, the Guarantor and their respective Subsidiaries, taken as a whole, as at the dates thereof and there are no material liabilities (absolute, accrued, contingent or otherwise) of the predecessors of Bell Aliant, the Guarantor and their respective Subsidiaries, taken as a whole, as at the dates thereof not reflected in the Financial Information;

(t) except as disclosed in the Preliminary Prospectus and the Prospectus, there has not been any material adverse change in the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Bell Aliant Group and its Subsidiaries, taken as a whole, from the positions set forth in the Financial Information;

(u) except as disclosed in the Preliminary Prospectus and the Prospectus, there are no actions, suits, proceedings or inquiries pending or, to the best of their knowledge, threatened against or affecting the Corporation, the Guarantor, Bell Aliant or any of their respective Subsidiaries, at law or in equity or before or by any federal, provincial, municipal or other governmental or regulatory department, commission, board, bureau, agency or instrumentality which in any way materially adversely affects, or may in any way materially adversely affect, the business, operations or condition (financial or otherwise) or assets of the entities within the Bell Aliant Group, taken as a whole, or the Offering;

(v) except as disclosed in the Preliminary Prospectus and the Prospectus, since December 31, 2009, none of the Corporation, the Guarantor, Bell Aliant and their respective Subsidiaries (or their predecessors) has incurred, assumed or suffered any liability (absolute, accrued, contingent or otherwise) or entered into any transaction which is or may be material to the Bell Aliant Group, taken as a whole, and which is not in the ordinary course of business;

(w) the Corporation is not prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or by which it is bound, from paying any dividends or making any other distribution on its share capital;

(x) the Guarantor is not prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or by which it is bound, from borrowing from or repaying to the Corporation any loans or advances to the Guarantor from the Corporation as contemplated in the Prospectus; and

(y) neither any Securities Commission, the TSX nor any similar regulatory authority has any order which is currently outstanding preventing or suspending trading in any securities of the Corporation.

8. <u>Conditions Precedent.</u>

8.1. The following are conditions precedent to the obligations of the Underwriters to close the transactions contemplated by this Agreement which conditions each of the Corporation, the Guarantor and Bell Aliant covenants, on a joint and several basis, to exercise reasonable commercial efforts to have fulfilled at or prior to the Time of Delivery and which conditions may be waived in writing in whole or in part by the Underwriters at anytime. At the Time of Delivery:

(a) for the respective accounts of the Underwriters, the Underwriters shall have received (against the payment of the purchase price as provided herein) the Offered Shares to be purchased at the Time of Delivery registered in the name of CDS & CO. or its nominee; the Corporation will pay all fees and expenses payable to or incurred by the Underwriters in connection with the delivery contemplated by this Section 8.1 and all fees payable to CDS Clearing and Depository Services Inc.;

(b) the Underwriters shall have received a certificate of the Corporation dated the Time of Delivery, signed by two senior officers satisfactory to the Underwriters, certifying that: (i) the Corporation has complied with and satisfied all covenants, terms and conditions of this Agreement on its part to be complied with or satisfied at or prior to the Time of Delivery; (ii) except for changes contemplated by this Agreement or the Prospectuses or any Prospectus Amendment, the representations and warranties of the Corporation contained herein are true and correct as of the Time of Delivery with the same force and effect as if made at and as of the Time of Delivery; (iii) no order, ruling or determination having the effect of ceasing or suspending the distribution of the Offered Shares or Series B Preferred Shares upon the conversion of Series A Preferred Shares or Series A Preferred Shares upon the conversion of the Series B Preferred Shares or ceasing or suspending the trading of the Offered Shares or Series B Preferred Shares has been issued and no proceedings for such purpose are pending or, to the knowledge of the persons signing such certificate, contemplated or threatened; (iv) there has been no material adverse change, financial or otherwise, to such date, in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of Bell

Aliant or the Guarantor, on a consolidated basis, from that disclosed in the Prospectuses or any Prospectus Amendment; (v) there has been no change in a material fact related to the Corporation, the Guarantor or the Bell Aliant that would cause the Prospectuses or any Prospectus Amendment to contain a misrepresentation; (vi) the Offered Shares have received a rating from S&P of P-3(high) or higher and from DBRS a rating of Pfd-3(high) or higher and, to the knowledge of the persons signing such certificate after due inquiry, neither the Corporation nor Bell Aliant shall have been placed on credit watch, alert or other comparable downgrade warning by S&P or DBRS; and (vii) such other matters as the Underwriters may reasonably request;

(c) the Underwriters shall have received a certificate of each of the Guarantor and Bell Aliant dated the Time of Delivery, signed by two senior officers satisfactory to the Underwriters, certifying that: (i) each of the Guarantor and Bell Aliant has complied with and satisfied all covenants, terms and conditions of this Agreement on its part to be complied with or satisfied at or prior to the Time of Delivery; (ii) except for changes contemplated by this Agreement or the Prospectuses or any Prospectus Amendment, the representations and warranties of the Guarantor and Bell Aliant contained herein are true and correct as of the Time of Delivery with the same force and effect as if made at and as of the Time of Delivery; (iii) no order, ruling or determination having the effect of ceasing or suspending trading of the securities of Bell Aliant or the Corporation in any of the Qualifying Jurisdictions has been issued and no proceedings for such purpose are pending or, to the knowledge of the persons signing such certificates, contemplated or threatened; (iv) there has been no material adverse change, financial or otherwise, to such date, in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of Bell Aliant or the Guarantor, on a consolidated basis, from that disclosed in the Prospectuses or any Prospectus Amendment; (v) there has been no change in a material fact related to Bell Aliant or the Guarantor, on a consolidated basis, that would cause the Prospectuses or any Prospectus Amendment to contain a misrepresentation; and (vi) such other matters as the Underwriters may reasonably request;

(d) the Underwriters shall have received a certified cheque bank draft or electronic transfer, payable to BMO Nesbitt Burns Inc., on behalf of the Underwriters, representing the fees payable by the Corporation to the Underwriters as provided in Section 3.2 or a direction of the Corporation to the Underwriters to advance the gross amount of the purchase price for the Offered Shares, less the Underwriting Fee to the Corporation;

(e) the Underwriters shall have received a letter of the auditors of Bell Aliant and the Guarantor updating the letter referred to in Section 4.1(c) to the Time of Delivery, such letter to be in form and substance satisfactory to the Underwriters and Underwriters' Counsel, acting reasonably, provided that such letter shall be based on a review by the auditors having a cut-off date not more than two Business Days prior to the Time of Delivery;

(f) the Corporation shall have received confirmation from the TSX of conditional listing approval from the TSX to list the Offered Shares and the Series B Preferred Shares and the Corporation shall have fulfilled all conditions set out in such approval to be fulfilled at or prior to the Time of Delivery;

(g) Articles of Amendment of the Corporation providing for the designation of the requisite number of Series A Preferred Shares and Series B Preferred Shares and providing for the rights, privileges, restrictions and conditions attaching to such shares substantially as described in the Prospectuses and in a form satisfactory to the Underwriters, acting reasonably, shall have been filed under the *Canada Business Corporations Act*;

(h) the Series A Preferred Shares shall have received a rating with no change in outlook from S&P of P-3(high) or higher and from DBRS of Pfd-3(high) or higher and neither Bell Aliant nor the Corporation shall have been placed on credit watch, alert or other comparable downgrade warning;

(i) the Guarantor shall have executed and delivered the Guarantees in form and substance satisfactory to the Underwriters, acting reasonably;

(j) the Corporation and Bell Aliant shall have executed and delivered the Nominating Agreement; and

(k) the Underwriters shall have received favourable legal opinions, dated such Time of Delivery, from Corporation's Counsel, and from Underwriters' Counsel, with respect to all such matters relating to the offering of the Offered Shares and the transactions contemplated by the Prospectuses and any Prospectus Amendment as the Underwriters may reasonably request (it is understood that Underwriters' Counsel may rely on the opinion of Corporation's Counsel and both counsels may deliver or rely upon the opinions of local counsel as to all matters not governed by the laws of the respective jurisdictions in which they are qualified to practice. Both counsel may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of the Corporation, the Guarantor and Bell Aliant, the auditors of Bell Aliant and public officials. The opinions of counsel may be subject to usual qualifications including as to equitable remedies, creditors' rights laws and public policy considerations).

8.2. All representations, warranties, terms and conditions of this Agreement to be satisfied prior to the Time of Delivery by the Corporation, the Guarantor or Bell Aliant (as the case may be) shall also be construed as conditions, and any breach of or failure to comply with any such representations, warranties, terms or conditions shall entitle any of the Underwriters, without limitation of any other remedies of the Underwriters, to terminate such Underwriter's obligations to purchase Offered Shares by giving written notice to that effect to the Corporation at or prior to the Time of Delivery. It is understood that the Underwriters may waive in whole or in part, or extend the time, for compliance with, any of such representations, warranties, terms and conditions without prejudice to the Underwriters' rights in respect of any other of such representations, warranties, terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Underwriters any such waiver or extension must be in writing and signed by all the Underwriters.

9. Termination.

9.1. In addition to any other remedies which may be available to the Underwriters, the Underwriters (collectively, or any one of them individually) shall be entitled, at their option, to terminate and cancel their obligations under this Agreement, without any liability on their part, if prior to the Time of Delivery:

(a) any inquiry, action, suit, investigation or other proceeding is commenced or any order is issued under or pursuant to any law (unless based upon the activities or alleged activities of an Underwriter or its agents), or there is any change of law or the interpretation or administration thereof, which, in the opinion of the Underwriters, acting reasonably, operates to prevent or materially restrict the trading in or the distribution of the Offered Shares in any of the Qualifying Jurisdictions;

(b) there shall occur any change as is contemplated in Section 6.1 hereof (other than a change related solely to the Underwriters) which, in the opinion of the Underwriters, acting reasonably, could reasonably be expected to have a significant adverse effect on the market price or value of the Offered Shares;

(c) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, acts of hostility or escalation thereof or any other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, or any law or regulation is enacted or changed which, in the opinion of the Underwriters, acting reasonably, seriously adversely affects, or may seriously adversely affect, the financial markets or the business, operations or affairs of Bell Aliant and its Subsidiaries, on a consolidated basis, the Guarantor or the Corporation; or

(d) S&P or DBRS shall lower the assigned ratings (referred to in Section 8.1(h)) on the Offered Shares, or if S&P or DBRS shall place Bell Aliant or the Corporation on credit watch or alert, whether such rating is indicative or final.

9.2. Any such termination shall be effected by an Underwriter or the Underwriters giving written notice to the Corporation at any time prior to the Time of Delivery. In the event of a termination by any of the Underwriters pursuant to Section 9.1, there shall be no further liability on the part of such Underwriter or Underwriters to the Corporation, the Guarantor or Bell Aliant or of the Corporation, the Guarantor or Bell Aliant to the Underwriters except in respect of the payment of such of the expenses referred to in Section 12 hereof payable by the Corporation as shall previously have been incurred and any liability of the Corporation, the Guarantor or Bell Aliant to the Underwriters which may have arisen or may thereafter arise under Section 11 hereof.

10. Underwriters' Option.

The Underwriters' Option is exercisable, in whole or in part, at any time until 30 days after the Closing Date at a price of $25.00 per Option Share, having an aggregate purchase price of $37,500,000 (assuming that the Underwriters' Option is exercised in full). The Underwriters may exercise the Underwriters' Option, in whole or in part, during the currency thereof by delivery of a written notice from one of the Lead Underwriters, on behalf of the Underwriters, to the Corporation, specifying the aggregate number of Option Shares which the Underwriters have agreed to purchase. The purchase of the Option Shares, if any, shall be completed at the office of Blake, Cassels & Graydon LLP, Toronto, Ontario or such other place as the Corporation and the Underwriters may agree, at 8:00 a.m. (Toronto time) on the date which is three Business Days following delivery of the written notice of exercise to the Corporation. The time and date for delivery of the Option Shares is herein called the "**Option Time of Delivery**".

If the Underwriters exercise the Underwriters' Option, the Underwriters will, at the Option Time of Delivery, pay to the Corporation the purchase price for the Option Shares purchased by the Underwriters and the Underwriters will be paid a fee in accordance with Section 3.2 hereof for each Option Share purchased upon the exercise of the Underwriters' Option. In all other respects, the applicable terms, conditions and provisions of this Agreement shall apply mutatis mutandis to the Option Shares. If any Option Shares are purchased from the Corporation, each Underwriter agrees, severally and not jointly nor jointly and severally, to purchase such portion of Option Shares (subject to such adjustments to eliminate fractional shares as the Lead Underwriters may determine) as is set out in Section 13.1 opposite the name of such Underwriter.

11. Indemnity and Contribution.

11.1. The Corporation, the Guarantor and Bell Aliant shall protect and indemnify the Underwriters and the Underwriters' directors, officers and employees (collectively, the "Indemnified Parties") from and against all losses (other than losses of profit in connection with the distribution of the Offered Shares), claims, costs, damages or liabilities which the Indemnified Parties may suffer or incur and which are caused by or arise directly or indirectly by reason of:

(a) any information or statement (except any information or statement furnished by the Underwriters relating solely to the Underwriters) contained in the Preliminary

Prospectus, the Prospectus or any Prospectus Amendment being untrue or being alleged to be untrue or a misrepresentation or by reason of the omission or alleged omission of any material fact or any other fact or information (except facts or information relating solely to the Underwriters) required to be stated therein, or necessary to make any statement therein not misleading in light of the circumstances in which it was made;

(b) any order made or enquiry, investigation or proceeding, commenced or threatened by any Securities Commission or other competent authority, based upon any untrue statement, omission or misrepresentation or alleged untrue statement, omission or misrepresentation (except a statement or omission relating solely to the Underwriters) in the Preliminary Prospectus, the Prospectus or any Prospectus Amendment preventing or restricting the trading in the securities of the Corporation or Bell Aliant or the distribution to the public of the Offered Shares or any of them; or

(c) the non-compliance or alleged non-compliance by the Corporation, the Guarantor or Bell Aliant with any requirement of applicable Securities Laws or any other applicable laws in connection with the transactions herein contemplated.

11.2. If any claim contemplated by this Section 11 shall be asserted against any of the Indemnified Parties, or if any potential claim contemplated by this paragraph shall come to the knowledge of any of the Indemnified Parties, the Indemnified Party concerned shall notify the Corporation as soon as possible of the nature of such claim (provided that any failure to so notify shall not affect the Corporation's, the Guarantor's and Bell Aliant's liability under this paragraph except to the extent that the Corporation, the Guarantor and Bell Aliant are materially prejudiced by such failure) and the Corporation, the Guarantor and Bell Aliant shall, subject as hereinafter provided, be entitled (but not required) to assume the defence on behalf of the Indemnified Party of any suit brought to enforce such claim; provided that the defence shall be through legal counsel acceptable to the Indemnified Party, acting reasonably, and no admission of liability shall be made by the Corporation, the Guarantor or Bell Aliant or the Indemnified Party without, in each case, the prior written consent of all the parties hereto, such consent not to be unreasonably withheld. An Indemnified Party shall have the right to employ separate counsel in any such suit and participate in the defence thereof but the fees and expenses of such counsel shall be for the account of the Indemnified Party unless: (i) the employment of such counsel has been authorized by the Corporation; or (ii) the named parties to any such suit include the Indemnified Party and the Corporation, the Guarantor and Bell Aliant, and the Indemnified Party shall have been advised by counsel that there may be one or more legal defences available to the Indemnified Party which are different from or in addition to those available to the Corporation, the Guarantor or Bell Aliant (in which case the Corporation, the Guarantor and Bell Aliant shall not have the right to assume the defence of such suit on behalf of the Indemnified Party but shall be liable to pay the reasonable fees and expenses of counsel for the Indemnified Party). It is the intention of the Corporation, the Guarantor and Bell Aliant to constitute the Underwriters as trustees for the Underwriters' directors, officers and employees of the covenant of the Corporation, the Guarantor and Bell Aliant under this Section 11 with respect to the Underwriters' directors, officers and employees and the Underwriters agree to accept such trust and to hold and enforce such covenants on behalf of such persons.

11.3. The rights of indemnity contained in this Section 11 shall not enure to the benefit of an Indemnified Party with respect to a particular claim to the extent that such claim results from the following: (i) if the Corporation, the Guarantor or Bell Aliant, as applicable, has complied with the provisions of Section 6 hereof and the Indemnified Party did not provide the person asserting any claim contemplated by this Section 11 with a copy of any Prospectus Amendment which discloses the change which is the basis of such claim and which is required, under applicable Securities Laws, to be delivered to such person by that Indemnified Party and if such claim would not have availed if the party asserting such claim had been provided with such Prospectus Amendment, or (ii) if the Indemnified Party has engaged in any fraud, fraudulent misrepresentation or gross negligence or has failed to comply with the terms of this Agreement or any laws, regulations or policies in connection with the distribution of the Offered Shares if such fraud, fraudulent misrepresentation, gross negligence or failure to comply was a direct cause of the claim in respect of which indemnity is sought. Notwithstanding the foregoing any loss of any rights of indemnification in favour of an Indemnified Party shall not affect any rights of indemnification in favour of any other Indemnified Party.

11.4. In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in this Section 11 is for any reason held to be unenforceable by the Indemnified Parties although applicable in accordance with its terms, the Underwriters and the Corporation, the Guarantor and Bell Aliant shall contribute to the aggregate losses (other than losses of profit in connection with the distribution of the Offered Shares), claims, costs, damages and liabilities contemplated by the indemnity incurred by the Underwriters and the Corporation, the Guarantor and Bell Aliant, as incurred, in such proportions that the Underwriters shall be responsible for that portion represented by the percentage that the aggregate fee payable by the Corporation to the Underwriters hereunder bears to the aggregate principal amount of the Offered Shares sold by the Underwriters under the Prospectus and the Corporation, the Guarantor and Bell Aliant shall be responsible for the balance; provided however, that (i) the Underwriters shall not in any event be liable to contribute, in the aggregate, any amount in excess of such aggregate fee or any portion thereof actually received, and (ii) no person guilty of a misrepresentation that is fraudulent shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

12. Expenses.

Whether or not the transactions herein contemplated shall be completed, all expenses of or incidental to the Offering shall be borne by the Corporation, including, without limitation, expenses payable in connection with the qualification of the Offered Shares for distribution in the Qualifying Jurisdictions, the fees and expenses of counsel and auditors for the Corporation, the Guarantor and Bell Aliant, the costs relating to road show meetings and presentations (including the printing of confidential information memorandums and the expenses of the Underwriters associated with such road show meetings and presentations), all S&P and DBRS rating agency fees, listing fees and all costs incurred in connection with the preparation, translation, printing and delivery of the Preliminary Prospectus, the Prospectus, and any Prospectus Amendment except that the Underwriters' out-of-pocket expenses (other than the expenses of the Underwriters associated with road show meetings and presentations as provided for above), and the fees and disbursements of Underwriters' counsel shall be paid by the Underwriters; provided that the Underwriters will be reimbursed by the Corporation for all fees and disbursements and reasonable out-of-pocket expenses if the sale of the Offered Shares is not completed (unless such failure to complete arises solely a result of the breach or default of the Underwriters).

13. Several Obligations.

13.1. The Underwriters' obligations pursuant to this Agreement, including the obligation to purchase the Offered Shares at the Time of Delivery, shall be several and not joint and several and the Underwriters' respective obligations in respect of such purchase of the Offered Shares shall be in the following percentages of the Offered Shares to be purchased at that time:

BMO Nesbitt Burns Inc.	20.0%
Scotia Capital Inc.	20.0%
CIBC World Markets Inc.	12.0%
RBC Dominion Securities Inc.	12.0%
TD Securities Inc.	12.0%
Desjardins Securities Inc.	7.5%
National Bank Financial Inc.	7.5%
Canaccord Genuity Corp.	3.0%
HSBC Securities (Canada) Inc.	3.0%
GMP Securities L.P.	2.0%
Beacon Securities Limited	1.0%
Total	100.0%

13.2. No Underwriter shall be obligated to purchase any of the Offered Shares to be purchased by it unless the other Underwriters simultaneously purchase the percentage of the Offered Shares set out opposite their names above or unless all of the Offered Shares are otherwise taken up pursuant to Section 13.3 .

13.3. If one or more of the Underwriters fails to purchase at the Time of Delivery its applicable percentage of the total number of Offered Shares, the remaining Underwriters shall be obligated severally to purchase such Offered Shares which the defaulting Underwriter or Underwriters have failed to purchase on a pro rata basis (or on such other basis as may be agreed to by the remaining Underwriters); provided, however, that in the event that the percentage of the total number of the Offered Shares which one or more of the Underwriters has failed to purchase exceeds 10% of the total number of the Offered Shares to be purchased at such time, the remaining Underwriters shall not be obligated to purchase such Offered Shares; however, the remaining Underwriters shall have the right, exercisable at their option, to purchase on a pro rata basis (or on such other basis as may be agreed to by the remaining Underwriters) all, but not less than all, of the Offered Shares which would otherwise have been purchased by the defaulting Underwriter or Underwriters and the remaining Underwriters shall also have the right, by notice in writing to the Corporation, to postpone the Time of Delivery for a period not exceeding five Business Days in order to determine whether or not to exercise such right to purchase. In the event that such right to purchase is not exercised, the Underwriter or Underwriters which are able and willing to purchase shall be relieved of all obligations to the Corporation, the Guarantor and

Bell Aliant on submission to the Corporation of reasonable evidence of its or their ability and willingness to fulfil its or their obligations hereunder at the Time of Delivery. Nothing in this Section 13 shall oblige the Corporation to sell to any or all of the Underwriters less than all of the Offered Shares to be sold at the Time of Delivery, or shall relieve any of the Underwriters in default hereunder from liability to the Corporation or to any non-defaulting Underwriter in respect of its default hereunder. In the event that the Corporation would be considered to be a “connected issuer” or a “related issuer” to any of the Underwriters wishing to exercise such right to purchase (the “Continuing Underwriters”), then the Continuing Underwriters would only be obligated or, as the case may be, entitled to purchase additional Offered Shares in accordance with Section 13.3 if permitted under applicable Securities Laws or all necessary approvals from regulatory authorities having jurisdiction have been obtained.

14. <u>Authority of Lead Underwriters</u>.

All steps which must or may be taken by the Underwriters in connection with this Agreement, but with the exception of the steps contemplated by Sections 8.2, 9, 11, and 13, may be taken by either of the Lead Underwriters on the Underwriters’ behalf, and this is the Corporation’s authority for dealing solely with, and accepting notification from, the Lead Underwriters with respect to any such steps on their behalf.

15. <u>Further Offerings and Sales</u>.

During the period commencing on the date hereof and ending on the day which is 90 days following the Closing Date except as contemplated by this Agreement: (i) the Corporation shall not, authorize, offer, issue or sell any preferred shares; (ii) Bell Aliant shall not cause or permit any of its Subsidiaries to, authorize, offer, issue or sell any preferred shares; and (iii) neither the Corporation nor Bell Aliant will agree or become bound to do any of the foregoing or publicly announce their intention to do so, without the prior written consent of the Lead Underwriters, acting on behalf of the Underwriters, which consent may not be unreasonably withheld.

16. <u>Several Obligations</u>.

The Corporation, the Guarantor and Bell Aliant agree that the obligations of the Underwriters hereunder are several and not joint or joint and several.

17. <u>Notices</u>.

Any notice or other communication to be given hereunder shall, in the case of notice to the Corporation, the Guarantor and Bell Aliant, be addressed to:

Bell Aliant Inc.
7 South Maritime Centre
1505 Barrington Street
Halifax, NS B4J 2W3
Attention: Glen LeBlanc, Executive Vice President and Chief Financial Officer
Telecopier: (902) 425-0708

with a copy to:

Blake, Cassels & Graydon LLP
Suite 4000, Commerce Court West
199 Bay Street
Toronto, Ontario M5L 1A9
Attention: Brendan Reay
Telecopier: (416) 863-2653

and, in the case of notice to the Underwriters, be addressed to the Lead Underwriters as follows:

BMO Nesbitt Burns Inc.
1 First Canadian Place
100 King Street West, 4^{th} Floor
Toronto, Ontario M5X 1H3
Attention: Ashi Mathur, Managing Director
Telecopier: (416) 359-5685

Scotia Capital Inc.
1002 Sherbrooke Street West, Suite 900
Montreal, Quebec H3A 3L6
Attention: Jeff Drummond, Managing Director
Telecopier: (514) 499-8454

with a copy to:

Ogilvy Renault LLP
1, Place Ville Marie
Suite 2500
Montreal, Quebec H3B 1R1
Attention: Andrew Bleau
Telecopier: (514) 286-5474

Any notice or other communication shall be in writing and, unless delivered personally to a responsible officer of the addressee, shall be given by facsimile, (with receipt confirmed) and shall be deemed to be given at the time faxed or delivered, if faxed or delivered to the recipient on a Business Day and before 5:00 p.m. (local time) on such Business Day, and otherwise shall be deemed to be given at 9:00 a.m. (local time) on the next following Business Day. Any party may change its address for notice by notice to the other parties given in the manner herein provided.

18. Miscellaneous.

18.1. During the period commencing on the date hereof and until the Underwriters have advised the Corporation that the distribution of the Offered Shares has ceased: (i) the Corporation will promptly provide to the Underwriters drafts of any press releases of the Corporation, the Guarantor or Bell Aliant; and (ii) the Corporation will promptly provide to the

Underwriters drafts of any press release relevant to the Offered Shares or the Guarantees for review by the Underwriters and Underwriters' Counsel prior to issuance, provided that any such review will be completed in a timely manner.

18.2. The representations, warranties, covenants, indemnities and agreements of the Corporation, the Guarantor and Bell Aliant herein contained shall survive the sale by the Underwriters of the Offered Shares and the Underwriters shall be entitled to rely upon the representations and warranties of the Corporation, the Guarantor and Bell Aliant contained herein or delivered pursuant hereto notwithstanding any investigation which the Underwriters may undertake or which may be taken on the Underwriters' behalf.

18.3. The Corporation, the Guarantor and Bell Aliant hereby acknowledge that the Underwriters are acting solely as the Corporation's underwriters in connection with the offering and sale of the Offered Shares. The Corporation, the Guarantor and Bell Aliant further acknowledge that the Underwriters are acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Underwriters act or be responsible as a fiduciary to the Corporation, the Guarantor and Bell Aliant, their respective management, securityholders or creditors or any other person in connection with any activity that the Underwriters may undertake or have undertaken in furtherance of such offering and sale of the Offered Shares, either before or after the date hereof. The Underwriters hereby expressly disclaim any fiduciary or similar obligations to the Corporation, the Guarantor and Bell Aliant, either in connection with the offering and sale of the Offered Shares hereunder or any matters leading up to such transactions, and the Corporation, the Guarantor and Bell Aliant hereby confirm their understanding and agreement to that effect. The Corporation, the Guarantor and Bell Aliant agree that it is solely responsible for making its own independent judgments with respect to the offering and sale of the Offered Shares and any other such transactions and that any opinions or views expressed by the Underwriters to the Corporation regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for the Offered Shares, do not constitute advice or recommendations to the Corporation, the Guarantor or Bell Aliant. The Corporation, the Guarantor and Bell Aliant and the Underwriters agree that the Underwriters are not acting as fiduciaries of the Corporation, the Guarantor or Bell Aliant and no Underwriter has assumed, and no Underwriter will assume, any advisory responsibility in favour of the Corporation, the Guarantor or Bell Aliant with respect to the transactions contemplated hereby or the process leading thereto.

18.4. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

18.5. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and all counterparts together shall constitute one and the same instrument. A signed counterpart provided by way of telecopier or in electronic form shall be as binding upon the parties as an originally signed counterpart.

18.6. If any provision of this Agreement is deemed to be void, voidable or unenforceable, in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void, voidable or unenforceable provision shall be severable from this Agreement.

18.7. Time shall be of the essence of this Agreement.

18.8. This Agreement shall be binding upon and enure to the benefit of the parties and their respective successors.

18.9. No waiver, modification or amendment of any term of this Agreement shall be effective unless executed in writing by all the affected parties.

18.10. The division of this Agreement into recitals, sections and schedules, and the provision of headings for all or any thereof, is for convenience of reference only and shall not affect the meaning of this Agreement.

18.11. The terms “herein”, “hereto”, “hereof”, “hereunder”, “hereby” and similar terms mean and refer to this Agreement and not, unless a particular provision is expressly stipulated, to any particular provision and the terms “Section”, “Subsection” followed by a letter, number or character or combination thereof mean and refer to the specified section or subsection of, or schedule to, this Agreement. Reference to the “parties” herein shall mean the parties to this Agreement, unless otherwise stated or the context otherwise requires.

18.12. Any references to legislation or a statute in this Agreement include, unless otherwise indicated, rules and regulations passed or in force pursuant thereto and any amendments thereto from time to time, and any legislation or regulations substantially replacing the same.

[Remainder of Page Left Intentionally Blank]

If the foregoing is in accordance with your understanding of the terms of the transaction we are to enter into and if such terms are agreed to by you, please confirm your acceptance by signing this letter in the place indicated below, in which event this letter shall constitute a binding Agreement among the Corporation, the Guarantor, Bell Aliant and the Underwriters.

BMO NESBITT BURNS INC. By: *"Ashish P. Mathur"* Name: Ashish P. Mathur Title: Managing Director	**SCOTIA CAPITAL INC.** By: *"Jeffrey Drummond"* Name: Jeffrey Drummond Title: Managing Director
CIBC WORLD MARKETS INC. By: *"Kevin Li"* Name: Kevin Li Title: Managing Director	**RBC DOMINION SECURITIES INC.** By: *"Jan Sorhaug"* Name: Jan Sorhaug Title: Managing Director
TD SECURITIES INC. By: *"Jeremy Walker"* Name: Jeremy Walker Title: Managing Director	**DESJARDINS SECURITIES INC.** By: *"Mathieu Cardinal"* Name: Mathieu Cardinal Title: Director
NATIONAL BANK FINANCIAL INC. By: *"Rob Sainsbury"* Name: Rob Sainsbury Title: Managing Director	**CANACCORD GENUITY CORP.** By: *"Sanjiv Samant"* Name: Sanjiv Samant Title: Managing Director
HSBC SECURITIES (CANADA) INC. By: *"Luc Buisson"* Name: Luc Buisson Title: Managing Director	**GMP SECURITIES L.P.** By: *"Neil Selfe"* Name: Neil Selfe Title: Managing Director
BEACON SECURITIES LIMITED By: *"Jane M. Smith"* Name: Jane M. Smith Title: President	

The foregoing accurately reflects the terms of the transaction we are to enter into and such terms are hereby agreed to by the parties signing below as evidenced by the signatures of their duly authorized officers on their behalf.

DATED this 23rd day of February, 2011

BELL ALIANT REGIONAL COMMUNICATIONS INC.

By: "*Glen LeBlanc*"

Name: Glen LeBlanc

Title: Executive Vice President and Chief Financial Officer

By: "*Eleanor Marshall*"

Name: Eleanor Marshall

Title: Vice President and Treasurer

BELL ALIANT PREFERRED EQUITY INC.

By: "*Glen LeBlanc*"

Name: Glen LeBlanc

Title: Executive Vice President and Chief Financial Officer

By: "*Eleanor Marshall*"

Name: Eleanor Marshall

Title: Vice President and Treasurer

BELL ALIANT INC.

By: "*Glen LeBlanc*"

Name: Glen LeBlanc

Title: Executive Vice President and Chief Financial Officer

By: "*Eleanor Marshall*"

Name: Eleanor Marshall

Title: Vice President and Treasurer