

**APPENDIX “E”
PATENT AWARD CLAIM METHODOLOGY¹**

The following is the Patent Award Claims Methodology:

1. Nortel maintains a database of all inventions together with the names of the inventors and their cumulative status with respect to any previous patents filed and granted to Nortel. The inventions are assigned unique disclosure numbers (“**Disc Numbers**”).
2. Nortel has advised it has fully paid all Patent Award payments for Disc Numbers filed by Nortel and/or granted to Nortel up to and including December 31, 2009.
3. The Applicants, with the assistance of the Monitor, reviewed Nortel’s records to determine inventor status and eligibility of Employees (for example, whether an employee-inventor retired, transferred to a buyer or left an Applicant’s employ voluntarily) with respect to those Disc Numbers that are included in determining the Patent Award Claims to be set out on the Information Statements for eligible employee-inventors of the Applicants (collectively, the “**Included Disc Numbers**”):
 - (a) in accordance with Nortel’s normal process, Nortel has determined which patent filings will not be made for certain Disc Numbers and which prior patent applications will be withdrawn/abandoned. Only the remaining Disc Numbers are included in the calculation.

¹ Capitalized terms used but not otherwise defined herein have the meaning given to them in the Seventy-Fifth Report.

4. With respect to the Disc Numbers remaining following the determination described in clause (a):
 - (i) with respect to Disc Numbers that were purchased by and transferred to a buyer on or before December 31, 2010, if the patent was filed by Nortel or was issued/granted to Nortel prior to the closing date, these Disc Numbers are included; otherwise
 - (ii) Disc Numbers that have been filed by Nortel or patents issued/granted to Nortel during the period January 1, 2010 to December 31, 2010 are included;
 - (iii) Disc Numbers for which Nortel filed a patent application on or prior to December 31, 2009 which did not already result in a patent being granted/issued prior to December 31, 2010 are included; and
 - (iv) Disc Numbers for which Nortel had not filed a patent application on or prior to December 31, 2010 are included.

5. With respect to Disc Numbers remaining following the application of clause (a), it is assumed that:
 - (i) All remaining unfiled Disc Numbers as at December 31, 2010 will be filed by Nortel on January 1, 2011 and will result in patents being issued/granted to Nortel on January 1, 2011; and
 - (ii) All remaining Disc Numbers for which Nortel filed a patent application as at December 31, 2010 will result in patents being issued/granted to Nortel on January 1, 2011.

6. If an individual is eligible for a Patent Filing Award and/or Patent Issuance Award with respect to one or more of the Included Disc Numbers, a claim amount relating to any such Patent Award will be set out in such individual's Information Statement. For

example, a Post-Filing Transferred Employee that is an employee-inventor is eligible for a Patent Filing Award regardless of when the patent was filed, but is only eligible for a Patent Issuance Award if the patent was actually issued before the employee-inventor was transferred to a buyer.

7. In addition, Cumulative Patent Issuance Awards that would be triggered as a result of the foregoing are included in the Patent Award Claims to be set out on the Information Statements.
8. For greater certainty, the Patent Award Claims include Disc Numbers which formed part of the sale to Rockstar.