

Eligibility Requirements and Procedure with Respect to Hardship Payment Applications

1. Eligibility

- (a) A former employee would be eligible for hardship payments if he or she is resident in Canada and has no available source of income, being all monies receivable by the former employee including, without limitation, employment income such as wages, salary or bonuses, consulting income, or pension or disability payments or income replacement payments (“Income”), or Income of a spouse, as of the date of the application and has no reasonable expectation of being in receipt of Income during the Application Period (referred to below) and:
- i. The former employee is unable to work due to illness or is incurring costs in excess of 25% of his or her EI payments as a result of treatment for illness or healthcare costs, or as a result of the illness of a family member who is dependent on the former employee for support; **or**
 - ii. During the Application Period the former employee is not receiving a Nortel pension or employment insurance (EI) as a result of ineligibility for EI or exhaustion of EI benefits, and demonstrates some other significant hardship in dealing with financial obligations.
- (b) Notwithstanding 1(a) above, the following individuals would also be eligible for hardship payments:
- (i) a Nortel pensioner and/or a survivor of a Nortel pensioner:
 - who is a member of one of the defined benefit pension plans; AND
 - was subjected to the reduction in monthly pension payments announced by Morneau and effective August 2011.
 - (ii) a former employee who prior to December 31, 2010 was in receipt of long term disability payments from Nortel and who despite having access to other sources of income such as; Canada Pension Plan Disability, Quebec Pension Plan Disability Payments, Ontario Disability Support Program payments, or other similar government program payments, otherwise satisfies the hardship eligibility requirements.

IN ALL CASES:

1. There must be a Monitor recognized Compensation Claim against Nortel relating to the former employee, pensioner and/or survivor of a Nortel pensioner. If an Information Statement setting out such Compensation Claim on Form A was not provided, there is no Monitor recognized Compensation Claim against Nortel and therefore there is no eligibility for hardship payments.
2. The Applicant must demonstrate urgent or immediate hardship in dealing with financial obligations.

2. **Application and Adjudication Process**

Notice of the application process will be posted on the Monitor's website, the website of the Nortel Retiree Protection Committee (NRPC) and the websites of Representative Counsel. An applicant is required to complete and submit the attached application form to the Monitor at the contact information listed below. The Monitor will make an initial determination to approve or reject the application within 21 days of receipt of the completed application. The first payment will proceed within seven business days subject to the payment parameters set out below. If not approved, the applicant has the right to be heard by an informal committee composed of one company appointee, one appointee of the Monitor and one appointee chosen by the Representatives, who will be compensated for his time on an hourly basis. A further appeal may be brought to the Court or an officer of the Court designated by the presiding judge, costs to be determined by the Court on the application.

3. **Payment Parameters**

- (a) former employees (including LTD Beneficiaries): Any successful applicant may be approved for a maximum payment of up to 16 weeks salary based on a maximum weekly salary of up to \$1,200 per week payable in monthly instalments. The hardship committee will also have discretion to approve additional amounts in cases of medical and other emergencies in an amount up to \$5,000.
- (b) Pensioner/Survivor: Any successful applicant may be approved for a maximum payment of \$10,000. This payment will be a one-time payment made as a lump sum.

All hardship payments are subject to all applicable tax and other withholdings.

4. **Application Period** – From the date of application to March 31, 2017.

5. **Miscellaneous**

- (a) Hardship Payments are advances against distributions on Compensation Claims, and will be deducted from any payments on Compensation Claims that may be allowed in the ultimate claims process in these proceedings.
- (b) The aggregate maximum amount available for hardship payments is \$2,300,000, including the \$750,000 amount approved by this Court on July 30, 2009, less the total Required Funds (as defined by paragraph 4 of the February 25, 2011 Court order and by paragraph 3 of the April 8, 2011 Court Order).

Contact information for the Monitor:

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