

## **FREQUENTLY ASKED QUESTIONS – BENEFITS FUNDING SETTLEMENT AGREEMENT**

### **GENERAL**

#### **1. When will I receive the Notice Letter?**

Mailing to all individuals will be completed on or before February 16, 2010. If your last known address with the company is not current, you may not have received the mailing. In the event you have not received a Notice Letter, please contact the Monitor by telephone at (416) 943-4439 or 1-866-942-7177 or by fax at (416) 943-2808.

#### **2. How do I update my address so that I receive mailings in the future?**

All address and other changes (i.e. death notifications and power of attorneys), should be reported to two sources:

- (1) The Nortel HR Contact Center; and
- (2) Representative Counsel.

The Nortel HR Contact Center will update your address within the Nortel system and will notify other important services providers.

#### **Nortel HR Contact Center**

ESN: 355-9351, External: (919) 905-9351

Toll Free: 1-800-676-4636

Fax ESN: 355-9301/9302, External: (919) 905-9301/9302

Hours of Operation: Monday-Friday from 9:00 am to 5:00 pm ET

#### **External Address:**

Dept 7094

Mail Stop 570/02/0C2

PO Box 13010

4001 E. Chapel Hill-Nelson Hwy

Research Triangle Park, NC 27709-3010

#### **Representative Counsel**

Toll-Free Hotline: 1.866.777.6344

Email: [nortel@knlaw.ca](mailto:nortel@knlaw.ca).

#### **3. How can I get in contact with Representative Counsel for the CAW-Canada?**

You may contact Barry Wadsworth, at 1-800-268-5763 ext. 3776.

## CONTEXT

### 1. Is Nortel bankrupt?

Nortel is insolvent, but it is not bankrupt. It is currently under the protection of the Court pursuant to the *Companies' Creditors Arrangement Act* ("CCAA"). The CCAA is a federal statute which permits companies protection from their creditors while they try to rearrange or restructure their financial obligations. A company is not bankrupt until such an order has been made under the *Bankruptcy and Insolvency Act*. This has not occurred and may never occur for Nortel. However, it should be noted that Nortel is insolvent and winding up its affairs, even if it does not become bankrupt.

### 2. What does the CCAA allow Nortel to do?

The CCAA is a broad and permissive statute which allows the Court in its discretion, within certain limits, to take such steps as are necessary to allow a company to restructure its financial obligations.

Nortel filed for protection under the CCAA on January 14, 2009. Paragraph 6 of the Initial Order (the first Court order providing creditor protection and establishing Nortel's authority to avoid its contractual obligations) permitted, but did not require Nortel to continue to make pension and benefits payments. Nortel made those payments through 2009 and, with this Settlement Agreement, will make them through 2010.

### 3. What is KM's role as Representative Counsel?

The Representation Order issued by the Court establishes the role and mandate of KM as Representative Counsel. The Representation Orders are posted on KM's website at [www.kmlaw.ca](http://www.kmlaw.ca). KM provides legal advice and guidance to the four Court-appointed Representatives who provide instructions to counsel after seeking input from their constituencies. The Court Order gives the Representatives the authority to make decisions for the group they represent, including negotiating and signing agreements which bind their constituents, always subject to Court approval. Both the former employees' and the disabled employees' Representatives work through broadly representative committees.

### 4. Do the Representatives and Representative Counsel have a mandate to pursue claims against entities other than Nortel?

The scope of the Representation Order includes all matters arising within the insolvency proceedings. If it were necessary and appropriate to bring a claim against a third party in order to best represent the interests of the constituency, we would.

### 5. What power does the judge have to override the objections of creditors?

All major decisions within the insolvency proceedings are subject to Court approval. The CCAA Judge has discretion and authority to approve actions or agreements notwithstanding the objections of creditors, and make any order he considers appropriate in the circumstances.