

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. JUSTICE ) TUESDAY, THE 19TH DAY  
MORAWETZ ) OF NOVEMBER, 2013

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
NORTEL NETWORKS CORPORATION, NORTEL NETWORKS LIMITED,  
NORTEL NETWORKS GLOBAL CORPORATION, NORTEL NETWORKS  
INTERNATIONAL CORPORATION AND NORTEL NETWORKS  
TECHNOLOGY CORPORATION**

**APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**HWT – DECLARED DISTRIBUTION ORDER**

**THIS MOTION** made by Ernst & Young Inc. in its capacity as the monitor (the “**Monitor**”) of Nortel Networks Corporation, Nortel Networks Limited, Nortel Networks Global Corporation, Nortel Networks International Corporation and Nortel Networks Technology Corporation (collectively, the “**Applicants**”) was heard this day at <sup>330</sup>~~393~~ University Avenue, Toronto, Ontario.

**ON READING** the ninety-ninth report of the Monitor dated November 13, 2013 and the Appendices thereto (the “**Ninety-Ninth Report**”), on notice to the Service List attached to the Notice of Motion and the supplementary parties listed in the Notice of Motion, and on hearing

the submissions of counsel for the Monitor, the Applicants, Representative Counsel, counsel for the Trustee, and on the consent of the LTD Beneficiaries' Representative, the Former Employees' Representatives, the Continuing Employees' Representatives and the CAW:

1. **THIS COURT ORDERS** that service of the Motion Record is hereby validated so that this Motion is properly returnable today and further service thereof is hereby dispensed with.
2. **THIS COURT ORDERS** that all capitalized terms used but not otherwise defined herein shall have the meaning given to them in the Ninety-Ninth Report.

#### **NON-INTEREST BEARING INVESTMENTS**

3. **THIS COURT ORDERS** that, upon the direction of the Monitor, the Trustee shall hold the assets of the HWT in non-interest bearing investments, subject to the direction of the Monitor.

#### **STALE-DATED CHEQUE RESERVE AND PAYEES**

4. **THIS COURT ORDERS** that, upon the direction of the Monitor, the Trustee shall pay and distribute from the HWT the Stale-Dated Cheque Reserve into an account to be held by the Applicants, subject to the direction of the Monitor.
5. **THIS COURT ORDERS** that the Monitor shall take the following steps with respect to the Stale-Dated Cheques:
  - (a) letters shall be sent by pre-paid ordinary mail to Non-Creditor Payees to their last known address according to the books and records of the Applicants;

- (b) payments shall be made to Non-Creditor Payees who respond within 60 days of the date the letters are mailed;
- (c) the claims of non-responsive Non-Creditor Payees to their Stale-Dated Cheques shall be barred after expiry of the 60 day period and the funds in respect of those Stale-Dated Cheques shall be included in the Residual Assets; and
- (d) for Creditor Payees, unclaimed funds shall be credited in their favour and be subject to the process for payment of any Estate Distribution or as otherwise ordered by this Court.

#### **TRUSTEE CLAIMS**

6. **THIS COURT ORDERS** that the Declared Distribution shall be made without regard to the Trustee Claims and without prejudice to the right of the Trustee to assert that such claims are proper claims against the HWT assets and the Trustee's rights as against the Residual Assets held by the Applicants pursuant to paragraph 13 below shall be as if the HWT continued to exist and the Residual Assets were HWT assets.
7. **THIS COURT ORDERS** that, without prejudice to the position of any party with respect to the Trustee Claims, if this Court finds that the Trustee Claims are proper claims against the assets of the HWT, to the extent that the Trustee Claims are not satisfied by payment from the Residual Assets, the Estate Distribution to each Participating Beneficiary shall be reduced on a pro rata basis (based on the value of each Participating Beneficiary's Participating Benefits) by the amount of the Trustee Claims that remain outstanding.

## DECLARED DISTRIBUTION

8. **THIS COURT ORDERS** that the Monitor shall post a Notice of Declared Distribution on the Monitor's website no later than February 28, 2014 or as the Court may direct, declaring a distribution to the Participating Beneficiaries on account of the Participating Benefits, which will bring the total distribution to 38%, subject to the Pensioner Life Premium Reduction.
9. **THIS COURT ORDERS** that the Trustee shall make the distribution described in the Notice of Declared Distribution, or as directed by this Court.
10. **THIS COURT ORDERS** that, unless otherwise directed by the Court, the Estate Distribution to each Participating Beneficiary shall be adjusted as appropriate for net overpayments or underpayments in total HWT distributions made to them arising as a result of changes in data or the availability of Residual Assets.
11. **THIS COURT ORDERS** that the Trustee and/or the Applicants may appoint a payment agent (which payment agent may include, without limitation, one or more of the Applicants) to assist in making some or all of the distributions authorized by this Order.
12. **THIS COURT ORDERS** that the reasonable costs of the Trustee, of its legal counsel or other service providers retained by it and of any payment agent it or the Applicants may appoint incurred in carrying out the provisions of this Order (including the costs incurred in liquidating and converting the assets of the HWT into non-interest bearing investments as per paragraph 3 above) shall be paid from the corpus of the HWT in priority to the payment of other distributions, expenses or disbursements from the corpus of the HWT,

other than, if one or more of the Applicants is appointed as or acts or performs the functions of a payment agent, costs of the Applicants incurred in the capacity as payment agent or in performing the functions of a payment agent.

#### **OTHER UNCLAIMED AMOUNTS**

13. **THIS COURT ORDERS** that, on the direction of the Monitor, the Trustee shall pay and distribute from the HWT the following into an account to be held by the Applicants, subject to the direction of the Monitor, and subject to paragraph 6 above, they shall be dealt with in accordance with any procedure established for the Estate Distribution or as otherwise directed by the Court:

- (a) the amount referred to in paragraph 5(d) above,
- (b) unclaimed HWT distributions; and
- (c) Residual Assets.

#### **TERMINATION OF HWT**

14. **THIS COURT ORDERS AND DECLARES** that, upon the posting of the Notice of Declared Distribution on the Monitor's website and completion of the distributions from the HWT as provided for in this Order, the HWT will automatically terminate.

**RELEASE**

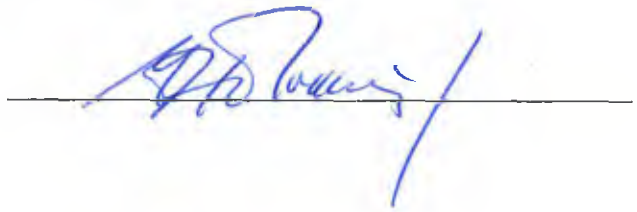
15. **THIS COURT ORDERS** the Trustee and any payment agent it may appoint or any payment agent the Applicants may appoint (which payment agent may include, without limitation, one or more of the Applicants) shall incur no liability or obligation in carrying out the provisions of this Order and making the payments and distributions it is instructed to make and shall be released from any and all liability in taking such action as it is instructed to take and making each such payment and distribution as instructed, and no action or other proceedings shall be commenced against the Trustee, any payment agent it appoints and any payment agent the Applicants appoint as a result of or relating in any way to their taking any action or making each such payment and distribution as instructed.

16. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court of any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to Section 17 of the CCAA) and any court or any judicial, regulatory or administrative body of the United States of America, the United Kingdom and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

V6262036

ENTENEGAL / AUTORITA TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

NOV 19 2013  
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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

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**HWT – DECLARED DISTRIBUTION ORDER**

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