

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR. JUSTICE)
MORAWETZ)
)
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)

FRIDAY, THE 2ND DAY
OF MARCH, 2012

**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**

SIXTH HWT INTERIM 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 330 University Avenue, Toronto, Ontario.

ON READING the Eighty-Second Report of the Monitor dated February 24, 2012 and the Appendices thereto (the "**Eighty-Second 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, independent counsel for the

LTD Beneficiaries' Representative, independent counsel for the Former Employees' Representatives, CAW Counsel, the Continuing Employees' Representative Counsel, counsel for The Northern Trust Company, Canada, in its capacity as trustee of the HWT (the "Trustee"), Canadian counsel for the Bondholder Group, the Committee and Nortel Networks Inc., and on the consent of the LTD Beneficiaries' Representative, the Former Employees' Representatives and the CAW, no one else from the Service List and list of supplementary parties attached to the Notice of Motion appearing although duly served as appears from the affidavits of service, filed:

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 Eighty-Second Report.
3. **THIS COURT ORDERS** that the Trustee shall make an interim distribution all on the direction of the Monitor or the Applicants on account of the Income Benefits to the Income Beneficiaries and on account of LTD Life and LTD Optional Life Benefits to the LTD Beneficiaries entitled to such benefits on or before March 31, 2012, or as soon thereafter as is practicable (the "**Sixth Interim Distribution**").
4. **THIS COURT ORDERS** that the amount of the Sixth Interim Distribution of the HWT corpus to each Income Beneficiary, for which the Monitor or the Applicants shall direct payment, will be, when taken with the prior interim distributions, 35% of the Income Benefits calculated in accordance with the Approved HWT Allocation Methodology,

using data available as of December 31, 2010 according to the Applicants' books and records, as updated from time to time.

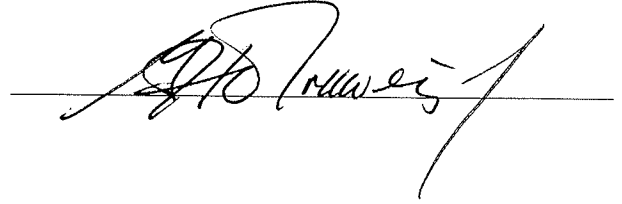
5. **THIS COURT ORDERS** that the amount of the Sixth Interim Distribution of the HWT corpus to each LTD Beneficiary entitled to LTD Life and LTD Optional Life Benefit, as applicable, for which the Monitor or the Applicants shall direct payment, will be, when taken with the prior interim distribution, 35% of LTD Life and LTD Optional Life Benefit calculated in accordance with the Approved HWT Allocation Methodology, using data available as of December 31, 2010 according to the Applicants' books and records, as updated from time to time.
6. **THIS COURT ORDERS** that the Trustee shall pay the Sixth Interim Distribution on the direction of the Monitor or the Applicants to any Income Beneficiary who becomes known to the Monitor or the Applicants subsequent to December 31, 2010 and to any LTD Beneficiary whose entitlement to LTD Life and LTD Optional Life Benefits becomes known to the Monitor or the Applicants subsequent to December 31, 2010, using data available as of December 31, 2010 according to the Applicants' books and records, as updated from time to time.
7. **THIS COURT ORDERS** that the Trustee may appoint a payment agent to assist it in making some or all of the distributions authorized by paragraphs 3, 4, 5 and 6 and 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 it is instructed to make and shall be released from any and all liability in making each such payment 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 making each such payment as instructed.

8. **THIS COURT ORDERS** that the reasonable costs of the Trustee, of its legal counsel or other service providers retained by it in accordance with the Trust Agreement and of any payment agent it or the Applicants may appoint incurred in carrying out the provisions of this Order 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, in the event 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 their capacity as payment agent or in performing the functions of a payment agent.

9. **THIS COURT ORDERS** that in the event the ultimate aggregate distribution from the HWT is less than 35% on account of the Sixth Distribution Benefits, the difference between the ultimate aggregate distribution and 35% shall be deducted from the amount distributed to each Income Beneficiary and each beneficiary in receipt of LTD Life and LTD Optional Life Benefits:
 - (a) Firstly, from each beneficiary's future distributions from the HWT on account of Pensioner Life, if any; and

- (b) Secondly, if such amount is insufficient to cover such difference, then from the amount of each beneficiary's future distributions from the estate of Nortel to the extent of any remaining difference.

A handwritten signature in black ink, appearing to read "J. H. Power", is written over a horizontal line.

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ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

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Proceeding commenced at Toronto

SIXTH HWT INTERIM DISTRIBUTION ORDER

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