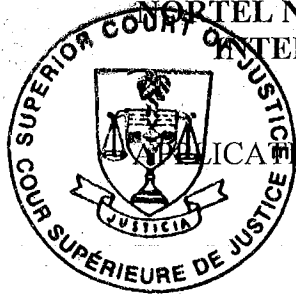


**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) WEDNESDAY, THE 22ND DAY OF
)
JUSTICE MORAWETZ) JULY, 2009

**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**

ORDER

THIS MOTION, made by Kent Felske and Dany Sylvain (collectively, the "Representatives") on behalf of all Canadian non-unionized employees of Nortel Networks Corporation, Nortel Networks Limited, Nortel Networks Global Corporation, Nortel Networks International and/or Nortel Networks Technology Corporation (collectively, "Nortel") was heard Thursday, July 9, 2009 on the Commercial List at 330 University Avenue, Toronto, Ontario.

ON READING the motion record of the Representatives, the motion record of Nortel, and on hearing submissions of counsel for the Representatives, Nortel, the Monitor and other parties,

1. **THIS COURT ORDERS** that time for service of the notice of motion and the motion record is abridged, service of notice of motion material and the motion record is validated, all such that this motion is properly returnable on July 9, 2009.
2. **THIS COURT ORDERS** that Kent Felske and Dany Sylvain be and hereby are appointed as the representatives of all Canadian non-unionized employees of Nortel whose employment with Nortel is continuing (the "Continuing Employees") while it is continuing in the

proceedings under the *Companies' Creditors Arrangement Act* ("CCAA"), the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") or in any other proceeding which has been or may be brought before this Honourable Court (collectively, the "Proceedings").

3. **THIS COURT ORDERS** that Nelligan O'Brien Payne, LLP and Shibley Righton LLP be and hereby are appointed as counsel (the "Continuing Employee Counsel") for the Continuing Employees to provide advice and representation with respect to Continuing Employees' employment-related claims and potential claims in the Proceedings, including issues arising with respect to pension plans and the health and welfare trust (such appointment to be referred to herein as the "Mandate"). For greater certainty, the Mandate does not include negotiations or requests with potential purchasers of assets of Nortel but the Continuing Employee Counsel shall from time to time be able to seek responses from the Monitor with respect to issues arising out of such negotiations and concluded arrangements on a need to know basis, including the recent Ericsson asset purchase agreement.

4. **THIS COURT ORDERS** that, subject to the prior written consent of the Monitor, Nortel shall provide to the Representatives and to the Continuing Employee Counsel, without charge upon request by the Representatives and their Counsel, such documents and data, as may be relevant to matters relating to the claims in the Proceedings, including documents and data pertaining to the entitlements of Continuing Employees, the terms and conditions of their employment including pension benefit, bonus, termination and severance entitlements and any agreements and documents related to the transfer or prospective transfer of employees from Nortel to new employers.

5. **THIS COURT ORDERS** that all reasonable legal fees and all other incidental fees and disbursements incurred in carrying out the Mandate, as may have been or shall be incurred by the Representatives and the Continuing Employee Counsel, shall be paid by Nortel on a bi-weekly basis, forthwith upon the rendering of accounts to Nortel and that, in the event of any disagreement regarding such fees, such matters may be remitted to this Court for determination.

6. **THIS COURT ORDERS** that notice of the granting of this Order be provided to the Continuing Employees by the Monitor, together with the information attached in Schedule "A", by electronic transmission of a copy hereof as soon as practicable after the granting of this Order,

together with the specific contact information provided by the Representatives and the Continuing Employee Counsel.

7. **THIS COURT ORDERS** that the Representatives or their Continuing Employee Counsel on their behalf be and hereby are authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body and other government ministry, department or agency, and to take all such steps as are necessary or incidental thereto.

8. **THIS COURT ORDERS** that any individual Continuing Employee who does not wish to be bound by this order and all other related orders which may subsequently be made in these proceedings shall by September 18, 2009 notify the Monitor in writing by facsimile, mail or delivery, and in the form attached as Schedule "B" hereto and shall thereafter not be bound and shall be represented themselves as an independent individual party to the extent they wish to appear in the Proceedings.

9. **THIS COURT ORDERS** that the Continuing Employees bound by this Order do not include any employees who are subject to investigation and charges by the Ontario Securities Commission or the United States Securities and Exchange Commission, and that the Representatives have no obligation to represent such persons.

10. **THIS COURT ORDERS** that the Representatives, Nelligan O'Brien Payne LLP and Shibley Righton LLP as Continuing Employee Counsel shall have no liability as a result of their appointment or the fulfilment of their duties in carrying out the provisions of this Order from and after January 14, 2009 save and except for any gross negligence or unlawful misconduct on their part.

11. **THIS COURT ORDERS** that the Representatives shall be at liberty and are authorized at any time to apply to this Honourable Court for advice and directions in the discharge or variation of their powers and duties.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

AUG 04 2009

PER / PAR: TV

SCHEDULE "A"

In an endorsement issued on July 22, 2009 by the Ontario Superior Court of Justice in Nortel's outstanding CCAA proceedings (the "Proceedings"), Nelligan O'Brien Payne and Shibley Righton were jointly appointed as counsel for Canadian non-unionized employees of Nortel whose employment with Nortel is continuing (the "Continuing Employees"). A copy of the Representation Order for the Continuing Employees dated July 22, 2009 is attached.

Justice Morawetz stated that the Continuing Employees at Nortel have an interest in the Proceedings and it is advisable that they have legal representation to provide general advice on employee issues that affect them. The Commercial Court also appointed Kent Felske and Dany Sylvain as representatives of the Continuing Employees.

Former employees of Nortel and employees whose employment is terminated in the future continue to be represented by Koskie Minsky.

Nortel will be responsible for the reasonable legal fees incurred by the court-appointed counsel in carrying out their prescribed mandate.

If you do not wish to be bound by this order, you may opt-out of the group in accordance with paragraph 8 of the Order.

Continuing Employees may in confidence directly contact Nelligan O'Brien Payne at – NCCE@nelligan.ca (use your personal email) or by telephone to Ms. Christine Seed (613) 231-8280 or 1-888-565-9912.

SCHEDULE "B"

Court File No. 09-CL-7950

**ONTARIO
SUPERIOR COURT OF JUSTICE
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NETWORKS GLOBAL CORPORATION, NORTEL NETWORKS INTERNATIONAL
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**APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

OPT-OUT LETTER

**Ernst & Young Inc.
Ernst & Young Tower
222 Bay Street
P.O. Box 251
Toronto, ON M5K 1J7**

**Attention: Lee K. Close
Tel.: 1.866.942.7177
Fax: 416.943.3300**

I, _____, am a current employee of Nortel, as defined in the Order of
[Insert Name]

Mr. Justice Morawetz dated July 22, 2009.

Under Paragraph 8 of that Order, current employees who do not wish Shibley Righton LLP and
Nelligan O'Brien Payne LLP to act as their representative counsel may opt out.

I hereby notify the Monitor that I do not wish to be bound by the Order and will be represented
as an independent individual party at my own expense to the extent I wish to appear in these
proceedings.

Date

Signature

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

Court File No: 09-CL-7950

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

ORDER

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Lawyers for the Applicants