



IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990,
c. P.8, as amended (the “*PBA*”);

AND IN THE MATTER OF a Notice of Intended Decision of the
Superintendent of Financial Services to make an Order under
section 83 of the *PBA*, respecting the **Nortel Networks Limited
Managerial and Non-Negotiated Pension Plan, Registration
Number 0342048.**

TO: **Morneau Shepell Ltd., successor to
Morneau Sobeco Limited Partnership
895 Don Mills Road, Suite 700
One Morneau Sobeco Centre
Toronto ONN M3C 1W3**

**Attention: Hamish Dunlop, Principal
Administrator**

AND TO: **The parties listed in Schedule “A”**

NOTICE OF INTENDED DECISION

I INTEND TO MAKE AN ORDER under section 83 of the *PBA* declaring that the
Pension Benefits Guarantee Fund (“Guarantee Fund”) applies to the Nortel Networks Limited
Managerial and Non-Negotiated Pension Plan, Registration Number 0342048 (the “Plan”).

REASONS:

1. The Plan is registered under the *PBA*.
2. The Plan provides defined benefits that are not exempt from the application of the
Guarantee Fund by the *PBA* or the regulations made thereunder.
3. The Plan is being wound up in whole effective October 1, 2010.
4. There are reasonable and probable grounds that the funding requirements of the *PBA* and
regulations cannot be satisfied. In an Actuarial Opinion prepared by the Plan’s Actuaries,

dated March 31, 2011 and filed by the Administrator, the Plan's Actuaries attest that the Plan's assets are not sufficient to cover the liabilities of the Plan on a wind up basis. They also attest that the Ontario assets of the Plan are significantly less than its Ontario wind up liability. They recommend that the Administrator apply for an allocation from the Guarantee Fund for the payment of benefits guaranteed by the Guarantee Fund.

5. Such further and other reasons as may come to my attention.

YOU ARE ENTITLED TO A HEARING by the Financial Services Tribunal (the "Tribunal") pursuant to section 89(6) of the *PBA*. **To request a hearing, you must deliver to the Tribunal a written notice that you require a hearing, within thirty (30) days after this Notice of Intended Decision is served on you.**¹

YOUR WRITTEN NOTICE must be delivered to:

Financial Services Tribunal
5160 Yonge Street
14th Floor
Toronto, Ontario
M2N 6L9

Attention: The Registrar

FOR FURTHER INFORMATION on a Form for the written notice, please see the Tribunal website at www.fstontario.ca or contact the Registrar of the Tribunal by phone at 416- 590-7294, toll free at 1-800-668-0128, ext. 7294, or by fax at 416-226-7750.

IF YOU FAIL TO REQUEST A HEARING WITHIN THIRTY (30) DAYS, I MAY CARRY OUT THE INTENDED DECISION AS DESCRIBED IN THIS NOTICE.

DATED at Toronto, Ontario, this 12th day of April 2011.

¹

NOTE - Pursuant to section 112 of the *PBA* any Notice, Order or other document is sufficiently given, served or delivered if delivered personally or sent by regular mail and any document sent by regular mail shall be deemed to be given, served or delivered on the seventh day after the date of mailing.

Brian Mills
Deputy Superintendent, Pensions
(A)

Copy: David Vincent, Ogilvy Renault LLP, counsel to Nortel
Gale Rubenstein, Goodmans LLP, counsel to Ernst & Young Inc., Monitor
Ken Rosenberg, Paliare Roland Rosenberg Rothstein LLP, counsel to the Superintendent
of Financial Services
James D. Gage, McCarthy Tetrault LLP, counsel to the Administrator

Schedule "A"

- TO:** Nortel Networks Limited
5945 Airport Rd. Suite 360
Mississauga, ON, 14V 1R9
Attention: Leila Wong, Director, Global Pensions
- AND TO:** Ernst & Young Inc. (court appointed Monitor of Nortel)
222 Bay Street, Suite 1600
Toronto, ON M5K 1J7
Attention: Murray A. McDonald, President
- AND TO:** Donald Sproule, David Archibald and Michael Campbell, court appointed representatives of the Nortel Former Employees
c/o Koskie Minsky LLP
20 Queen Street West
Suite 900, Box 52
Toronto, ON M5H 3R3
Attention: Mark Zigler and Susan Philpott
- AND TO:** Sue Kennedy, court appointed representative of the Represented LTD Beneficiaries of Nortel
c/o Koskie Minsky LLP
20 Queen Street West
Suite 900, Box 52
Toronto, ON M5H 3R3
Attention: Mark Zigler and Susan Philpott
- AND TO:** Koskie Minsky LLP, court appointed counsel for the Former Employees of Nortel and the Represented LTD Beneficiaries of Nortel
20 Queen Street West
Suite 900, Box 52
Toronto, ON M5H 3R3
Attention: Mark Zigler and Susan Philpott
- AND TO:** Kent Felske and Dany Sylvain, court appointed representatives of all Canadian non-unionized employees of Nortel whose employment with Nortel continues
- C/O:** Nelligan O'Brien Payne LLP, court appointed counsel for the Canadian non-unionized employees of Nortel whose employment with Nortel continues
50 O'Connor Street, Suite 1500
Ottawa, ON K1P 6L2
Attention: Janice Payne and Steven Levitt
- AND C/O:** Shibley Righton LLP, court appointed counsel for the Canadian non-unionized employees of Nortel whose employment with Nortel continues
250 University Ave, Suite 700
Toronto, ON M5H 3E5
Attention: Arthur O. Jacques and Thomas McRae