

Guide to Fourth Distribution
Nortel Canadian Estate - Fourth Distribution
RETAIN FOR YOUR RECORDS

This Guide provides an explanation of the items on the Statement of Fourth Distribution ("Statement") and should be read in conjunction with it.

Your personalized Statement will either: (i) include your cheque or indicate that you are not receiving any funds as part of this distribution or (ii) indicate that your distribution is pending.

Your Statement will indicate your distribution is pending if your distribution requires a review by Employment and Social Development Canada ("ESDC"). In this case, your distribution will be delayed, and your Statement will include a letter referencing the ESDC process.



Keep your contact information current

see- www.ey.com/ca/Nortel or e-mail us at monitor.nortel@ca.ey.com for

Contact Information Change Documents

The Fourth Distribution rate is posted on the Monitor's website at www.ey.com/ca/Nortel - see Notice of Fourth Distribution Rate. Your Statement shows the cumulative distribution rate. Further distribution(s), if any, will be made in accordance with the Nortel Plan.

This distribution is not related to either the Nortel Networks Negotiated Pension Plan or the Nortel Networks Limited Managerial and Non-Negotiated Pension Plan. These Nortel Registered Pension Plans received a distribution from the Nortel estate. You should also advise Lifeworks (formerly Morneau Shepell Ltd.) if your address changes. For further information on the Nortel Pension Plans please refer to www.pensionwindups.morneaushepell.com.

This Guide is not personalized. This Guide is general in nature and may contain or refer to items which do not appear on your personalized Statement. Where an amount is yet to be determined, such as an EI repayment deduction (in the case of those subject to ESDC review), the Statement will indicate "pending" as the amount for that line item.

The lettered references on your Statement are unchanged from the Initial Distribution, Second Distribution and Third Distribution except as detailed herein. Only the new or updated references from the Guide to the Initial Distribution, Guide to the Second Distribution and Guide to the Third Distribution are detailed in this Guide. You should refer to the Guide to Initial Distribution which was mailed at the time of the Initial Distribution, or you can refer to the Guide to Initial Distribution, Guide to Second Distribution and Guide to the Third Distribution available at www.ey.com/ca/Nortel.

A & B – Compensation Claim for Fourth Distribution - This reference is updated only in name

This is the amount of your claim used for determining the cumulative distribution amount you are entitled to.

This amount is the same as the Compensation Claim for Third Distribution

Please note that your Fourth Distribution, when combined with your Initial, Second and Third Distributions, provides a cumulative distribution based on your Adjusted Compensation Claim Amount at the cumulative distribution rate.

D1 and D2 included in D3 (see D3 below)

D3 – Previous Cumulative Distribution, gross - This reference is updated.

This is the amount of cumulative distributions up to and including the Third Distribution. These cumulative distributions take account certain advances (from Hardship and SIB/STB In-Pay Processes, line references D1 and D2 on the Statement of Second Distribution) and as a result previous line references D1 and D2 are included in the cumulative distribution amount.

The information in this Guide is intended to be general in nature only and should not be relied upon as legal or tax advice. The information in this Guide may not apply to your particular situation.

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This reference is updated because the cumulative distributions increase with each distribution and because the historical advances are no longer reported.

All amounts on the remainder of the Statement pertain only to the Fourth Distribution.

F7a –Former employee advisors’ fee deduction - This reference is revised

This deduction relates to professional fees of legal and financial advisors incurred by the Representatives in conjunction with the implementation of the Plan.

A Court Order dated November 23, 2020 (available at www.ey.com/ca/Nortel) provided for the discharge of Representative Counsel and payment of fees, for the period December 1, 2019 to their discharge March 31, 2021, from estate distributions. The amount of \$124,008.50 has been deducted on a pro-rata basis based on the gross Fourth Distribution Amount (line reference E) of all Compensation Creditors represented by the Representatives

This reference is revised. The fees referenced were incurred and approved after the Third Distribution.

F7b - has been removed as this deduction is no longer applicable

Tax Matters

The amounts noted on your Statement will be reported, as applicable, on your 2022 tax slip(s), by the applicable 2023 deadlines, for inclusion in your 2022 income tax return. If your Fourth Distribution is not mailed or released until 2023, the tax slips will be provided for inclusion in your 2023 income tax return by the applicable 2024 deadlines.

The portion of your Fourth Distribution calculated to be Reportable Eligible Retiring Allowance, if any, is reported on your Statement and will be reported on your T4. Refer to the Eligible Retiring Allowance (“H”) section in the Guide to the Initial Distribution for more details.

No direct RRSP contribution is available for the Fourth Distribution thus line F8 is now used for Other. The Other deductions line F9 has also been combined with line F8.

No Qualifying Retroactive Lump Sum Payment forms will be issued with respect to the Fourth Distribution.