



Nortel Networks Inc.  
HR Shared Services  
4001 East Chapel Hill-Nelson Hwy  
RTP, NC 27709  
800-676-4636

May 31, 2013

**RE: Termination of Retiree Benefits**

Dear Retiree:

This notice contains important information about the termination of your coverage and benefits, if any, under the Nortel Networks Inc. Retiree Medical Plan and/or the Nortel Networks Inc. Retiree Life Insurance and Long-Term Care Plan for Retirees (collectively, as such plans have been amended or modified from time to time, the "Plans"). Please read the information contained in this notice very carefully. If you have any questions concerning the information in this notice, you should contact HR Shared Services at (919) 905-9351 or toll-free at 1-800-676-4636.

Termination of Retiree Welfare Plans

Effective **June 30, 2013**, Nortel Networks Inc., as the plan sponsor, will terminate the Plans. You will continue to be covered for claims incurred under the Plans you are currently enrolled in up to and including that date. After that date, however, you will have no additional coverage under the Plans.

On December 31, 2012, the Company and certain of its affiliates, as debtors and debtors in possession (collectively, the "Debtors"), filed a *Motion for Entry of an Order Approving Settlement Procedures and Subsequently a Settlement Agreement with the Official Committee of Retired Employees* [D.I. 9224] (the "Retiree Motion") in their bankruptcy proceedings pending as case number 09-10138 in the United States Bankruptcy Court for the District of Delaware (the "Court"). On April 2, 2013, the Court approved the termination of the Nortel Networks Inc. Retiree Medical Plan pursuant to the terms of the settlement agreement with the Official Committee of Retired Employees (the "Retiree Committee") attached to the Retiree Motion (the "Retiree Settlement Agreement"). The Retiree Settlement Agreement became effective on April 17, 2013. The Settlement Amount (as defined in the Retiree Settlement Agreement) paid in accordance with the Retiree Settlement Agreement shall be the sole source of recourse for any and all Retiree Claims (as defined in the Retiree Settlement Agreement). A copy of the Retiree Motion and the order approving the Retiree Motion are available on the company's website at <http://www.nortel-us.com/former/>.

### Life Insurance Conversion Option

Because Nortel Networks Inc. is terminating the group life insurance policy, you may have the option of converting a limited portion of your coverage under the group policy to an individual policy at your own expense. There is no conversion option for the long-term care plan or the medical plan, or for those individuals who do not have life insurance coverage under the group life insurance policy. Converting to an individual policy will not affect your right, if any, to recover amounts pursuant to the Retiree Settlement Agreement. **Please direct all calls to Prudential Group Life Insurance Customer Service Center as soon as possible if you wish to convert a portion of your current life insurance coverage to an individual policy.** You may call the Prudential Group Life Customer Service Center at 1-877-889-2070, Monday through Friday, 8:00 am to 8:00 pm (Eastern time) or visit [www.prudential.com/giconversion](http://www.prudential.com/giconversion). **Your option to convert to an individual policy is only available for 31 days after the Nortel Networks Inc. Retiree Life Insurance Plan terminates on June 30, 2013.** Prudential will provide information on the terms and costs of converting your coverage.

### Run off period

No claims relating to periods after June 30, 2013 will be paid under the Plans. Claims for the payment or reimbursement of benefits incurred under the Plans prior to June 30, 2013 must be submitted for processing before the earlier of (i) the current deadline to submit a claim under the relevant Plan, or (ii) December 30, 2013. Claims submitted after the relevant deadline will not be paid. For the avoidance of doubt, claims submitted on time still remain subject to approval.

### Retiree Committee

The Retiree Committee and its successors shall have the sole responsibility for administering and allocating the Settlement Amount to individual retirees. Please contact Togut, Segal & Segal LLP, counsel to the Retiree Committee, at (212) 594-5000 with any questions regarding the Settlement Agreement or your recovery thereunder.

This letter is being sent to notify you about the termination of the Plans, the Retiree Settlement Agreement and other related matters. Nothing in this letter is intended to acknowledge your actual entitlement to receive coverage or benefits under the Plans or any right to receive any portion of the Settlement Amount, each of which are governed by the relevant agreements.

Sincerely,

HR Shared Services



**Prudential**

**Group Insurance**

Please send the completed form and all attachments to:

**The Prudential Insurance Company of America  
Prudential/Group Life Conversions  
PO Box 70180  
Philadelphia, PA 19176**

**Notice of Group Life Conversion Privilege**

In accordance with your Group Contract issued by the Prudential Insurance Company of America, you may convert the group life insurance amount noted below to an Individual contract. To convert your coverage, within 31 days after coverage termination you must:

1) submit a completed Conversion Application and this completed Notice of Group Life Conversion Privilege to:

Prudential, Group Life Conversions, PO Box 70180, Philadelphia, PA 19176 or via fax at 888-634-1118; **and**

2) pay the first premium.

To get a Conversion Application and information instantly, visit [www.prudential.com/giconversions](http://www.prudential.com/giconversions). Otherwise, to request a Conversion Application and information, visit any Prudential Financial branch office, or mail or fax this completed Notice of Group Life Conversion Privilege to Prudential at the address or fax number shown above.

To speak with a customer service professional, please call Prudential's toll-free service number at 877-889-2070.

<b>1 To Be Completed by Contract Holder</b>	Policy No./Control No.	Date of termination (MM DD YYYY)	Date of reduction of insurance (if applicable) (MM DD YYYY)			
	039900	06-30-2013	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Claim Branch No.	Date of termination of insurance if other than date of termination of employment (MM DD YYYY)	Was the employee disabled at the time of termination?		If yes, please enter date of disability (MM DD YYYY)	
	00001	<input type="text"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="text"/>	

<b>2 Employee/Member Information</b>	First Name	MI	Last Name			
	<input type="text"/>	<input type="text"/>	<input type="text"/>			
	Social Security Number	Employee Gender	Date of Birth (MM DD YYYY)			
	<input type="text"/>	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="text"/>			
	Address 1					
	<input type="text"/>					
	Address 2					
	<input type="text"/>					
	City	State	ZIP Code			
	<input type="text"/>	<input type="text"/>	<input type="text"/>			
	Is this coverage assigned? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					

(Assignment of a life insurance policy means the act of transferring the rights of property in the policy from one person to another. The person who transfers his right is called the "assignor" and the person to whom the right is transferred is called the "assignee")

\*\*Note: If coverage is assigned, please attach a copy of the assignment.

If you are not subject to Title VII of the Civil Rights Act, please check off this box.





**Prudential**

**2 Employee/ Member Information (Cont'd.)**

Amount of group life insurance (or amount of reduction) eligible for conversion:

**Employee**

Basic  
\$

Optional  
\$

**Spouse**

Social Security #

Basic  
\$

Optional  
\$

Claim Branch

**Dependent Child**

Social Security #

Basic  
\$

Optional  
\$

Claim Branch

Amount of accidental death benefit insurance (or amount of reduction) eligible for conversion:

**Employee**

Basic  
\$

Optional  
\$

**Spouse**

Social Security #

Basic  
\$

Optional  
\$

**Dependent Child**

Social Security #

Basic  
\$

Optional  
\$

**3 Contract Holder**

Contract Holder's Name

Nortel

Address 1

4001 East Chapel Hill-Nelson Highway

Suite

Address 2

City

Research Triangle Park

State

NC

ZIP Code

27709

Telephone Number

8006764636

Extension

Signature of Contract Holder

X Not required

Date (MM DD YYYY)

Signature of Employee

X

Date (MM DD YYYY)

Employee Term Life, Dependents Term Life, Employee Survivor Benefits Life, Group Universal Life and Group Variable Universal Life coverages are underwritten by the Prudential Insurance Company of America, a New Jersey company, 751 Broad Street, Newark, NJ 07102. Contract Series: 83500. Prudential, the Prudential logo and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide. The Prudential Insurance Company of America is a Prudential Financial company. California COA #1179 NAIC # 68241.

