

IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990, c. P.8, as amended (the "Act"), in particular sections 70, 87 and 89;

AND IN THE MATTER OF the Nortel Networks Negotiated Pension Plan, Registration Number 0587766 (the "Negotiated Plan"), and the Nortel Networks Managerial and Non-Negotiated Pension Plan, Registration Number 0342048 (the "Managerial Plan" and, together with the Negotiated Plan, the "Plans").

ORDER

TO:

Morneau Shepell Ltd.
895 Don Mills Road
Tower One, Suite 700
Toronto ON M3C 1W3

Attention: Hamish Dunlop
Principal

Appointed Administrator of the Plans

AND TO:

Court Appointed Representatives of the Former Employees of Nortel Networks Corporation and several of its Affiliated Companies

Care of: Koskie Minsky LLP
20 Queen Street West, Suite 900
Toronto ON M5H 3R3

Attention: Mark Zigler

Representative Counsel for the Former Employees of Nortel Networks Corporation and several of its Affiliated Companies

On March 12, 2018, the Superintendent of Financial Services (the "Superintendent") issued a Notice of Intended Decisions to make certain Orders under sections 70 and 89(4) of the Act, and to refuse to make certain Orders under sections 87(1) and 87(4) of the Act, respecting the Plans (the "Notice of Intended Decision").

A Request for Hearing (Form 1) was delivered on April 4, 2018 to the Financial Services Tribunal (the "Tribunal") by the Court Appointed Representatives of the Former Employees of Nortel Networks Corporation and several of its Affiliated Companies in accordance with section 89(6) of the Act respecting the Notice of Intended Decision.

On July 27, 2018, Morneau Shepell Ltd., in its capacity as the appointed administrator of the Plans, was added as a party to the proceeding with no restrictions or qualifications.

The Tribunal held an oral hearing on March 8, 2019.

Effective June 8, 2019, pursuant to the *Financial Services Regulatory Authority of Ontario Act, 2016*, S.O. 2016, c. 37, Sched. 8, the Financial Services Regulatory Authority of Ontario ("FSRA") became the regulator under the Act and the powers and duties previously vested in the Superintendent were vested in the Chief Executive Officer of FSRA (the "Chief Executive Officer").

The Tribunal, in its Reasons for Decision dated July 23, 2019 (the "Decision"), directed the Chief Executive Officer to carry out the Notice of Intended Decision.

No party appealed the Decision under section 91 of the Act, therefore, the Decision is final.

ORDER

Therefore, the Executive Vice President, Pensions by delegated authority from the Chief Executive Officer, hereby approves, under sections 70 and 89(4) of the Act, the following documents (together the "Indexation Addenda") for the reasons set out in the Decision:

- (i) the Second Addendum to the Wind Up Report for the Nortel Networks Limited Managerial and Non-Negotiated Pension Plan Wind Up as at October 1, 2010 Defined Benefit Provision Only, prepared and submitted November 9, 2017; and
- (ii) the Second Addendum to the Wind Up Report for the Nortel Networks Negotiated Pension Plan Wind Up as at October 1, 2010 Defined Benefit Provision Only, prepared and submitted November 9, 2017.


REFUSAL TO ORDER

Therefore, the Executive Vice President, Pensions by delegated authority from the Chief Executive Officer hereby refuses to make the following Orders in respect of the Plans for the reasons set out in the Decision:

- (i) an Order pursuant to section 87(4) of the Act requiring the administrator of the Plans to prepare new Indexation Addenda, using assumptions and methods that calculate member entitlements and Pension Benefit Guarantee Fund refunds in a manner which does not take into account certain amounts paid into the pension funds for the Plans from the estate of Nortel Networks Corporation and several of its Affiliated Companies; and

- (ii) an Order pursuant to section 87(1) of the Act requiring the administrator of the Plans to refrain from distributing funds to the Pension Benefits Guarantee Fund, in accordance with the Indexation Addenda.

DATED at Toronto, Ontario, *November 19th*, 2019.



Mark Eagles
Director, Advisory Services

By delegated authority from the Chief Executive Officer

SI VOUS DESIREZ RECEVOIR CET AVIS EN FRANÇAIS, veuillez nous envoyer votre demande par courriel immédiatement à: contactcentre@fsrao.ca.