

**ANNEX A**

**ALBERTA SECURITIES COMMISSION**

**CEASE TRADE ORDER**

**Citation: Nortel Networks, Re, 2013 ABASC 200**

**Date: 20130513**

**Nortel Networks Corporation and Nortel Networks Limited**

**Background**

1. Nortel Networks Corporation (NNC) and Nortel Networks Limited (NNL) (collectively, the **Issuers**) are reporting issuers under the *Securities Act*, R.S.A. 2000, c. S-4 (the **Act**) and have failed to file the following periodic disclosure pursuant to section 146 of the **Act**:
  - (a) annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended 31 December 2012; and
  - (b) interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim period ended 31 September 2012.
2. Pursuant to an Authorization Order dated 31 October 2012, the undersigned is authorized to make orders under section 33.1 of the **Act**.

**Decision**

3. Under section 33.1 of the **Act**, it is ordered that trading and purchasing cease in respect of any security of the **Issuers**, except for the trades and purchases identified below, until this order has been revoked or varied.
4. This order does not apply to the following trades and purchases:
  - (a) a trade to and a purchase by a person or company in a security of either of the **Issuers** for nominal consideration for the purpose of permitting security holders of the **Issuer** to crystallize any losses for tax purposes provided that, prior to such trade and purchase, such person or company:
    - (i) receives a copy of this order; and
    - (ii) provides written acknowledgment to the seller that the securities of the **Issuer** remain subject to this order in accordance with its terms following such trade and purchase; or
  - (b) a trade and purchase of:
    - (i) NNC, U.S. \$575,000,000 principal amount of 1.75% convertible senior notes due 2012 and U.S. \$575,000,000 principal amount of 2.125% convertible senior notes due 2014 (collectively, the **NNC Notes**); or

- (ii) NNL, U.S. \$1,000,000,000 principal amount of floating rate senior notes due 2011, U.S. \$550,000,000 principal amount of 10.125% senior notes due 2013, U.S. \$1,125,000,000 principal amount of 10.750% senior notes due 2016 and U.S. \$200,000,000 principal amount of 6.875% notes due 2023 (collectively, the NNL Notes);

to or by a person or company who is an "accredited investor" as defined in National Instrument 45-106 *Prospectus and Registration Exemptions*, provided that, prior to such trade and purchase either:

- (iii) such person or company receives a copy of this order and provides written acknowledgment to the seller that the NNC Notes or NNL Notes (as applicable) remain subject to this order in accordance with its terms following such trade and purchase; or
- (iv) the Issuers shall have issued a news release disclosing the terms of this order and Ernst & Young Inc. (the Monitor) shall have posted a copy of this order on its website, in which case each such person or company is deemed to have received notification of the terms of this order and is deemed to have acknowledged to the seller that the NNC Notes or NNL Notes (as applicable) remain subject to this order in accordance with its terms following such trade and purchase.

13 May 2013

"original signed by"

Jonathan Taylor  
Manager, CD Compliance & Market Analysis