

THIS AGREEMENT made as of the 1st day of January, 1980.

B E T W E E N:

NORTHERN TELECOM LIMITED,
a corporation incorporated under
the laws of Canada, and having
its Registered Office in the
City of Montreal, Province of
Québec,

(hereinafter referred to as the
"Corporation")

A N D:

MONTREAL TRUST COMPANY,
a company incorporated pursuant
to the laws of Quebec and having
its Head Office at the City of
Montreal, therein,

(hereinafter referred to as the
"Trustee")

WHEREAS:

1. The Corporation has established for the benefit of certain of its employees and the employees of such affiliated or subsidiary Corporations as the Corporation may designate, certain Health and Welfare plans, and such other similar plan or plans as the Corporation may from time to time place in effect, as follows:

- a) a Health Care Plan;
- b) a Management Long Term Disability Plan;
- c) a Union Long Term Disability Plan;
- d) a Management Survivor Income Benefit Plan;
- e) a Management Short Term Disability Plan;

f) a Group Life Insurance Plan;

all of which are hereinafter collectively referred to as the "Health and Welfare Plan".

2. To give effect to the Health and Welfare Plan it is necessary to establish a trust fund to be known as the "Health and Welfare Trust".

Now therefore in consideration of the premises and the mutual covenants herein contained the Corporation and the Trustee, hereby covenant and agree as follows:

ARTICLE I - DEFINITIONS

1. The term "Trustee" shall mean the Trustee herein named its successors and assigns and shall include the person, legal entity or corporation to whom the Trustee may delegate such powers as are necessary for the sound and efficient administration of the Trust Fund.
2. The term "Benefits" as used herein shall mean payment benefits as determined under the Health and Welfare Plan.
3. The term "Eligibility Requirements" as used herein shall mean the rules, regulations and procedures established from time to time by the Corporation for determining the eligibility of Employees for Benefits.
4. The term "Employees" shall mean those active and retired employees of the Corporation and

designated affiliated or subsidiary corporations which have adopted the Health and Welfare Plan, including dependents as defined in Schedule A, on whose behalf contributions are or have been made to the Trust Fund and who are eligible for benefits under the Health and Welfare Plan.

5. The term "Employer's Contribution" as used herein shall mean payments required to be made by the Corporation and by designated affiliated or subsidiary corporations to the Trust Fund to enable the Trustee to discharge the obligations arising under the Health and Welfare Plan.
6. The term "Trust Fund" as used herein shall mean all of the assets of the "Health and Welfare Trust" including all funds received by way of contributions from the Corporation and those of its designated affiliated or subsidiary corporations in accordance with the provisions of the Health and Welfare Plan and of this Trust Agreement, and all employees' contributions together with all profits, increments, and earnings thereon.

ARTICLE II - TRUST FUND

1. The Trust Fund is created for the purpose of providing the Health and Welfare Plan benefits for the benefit of the Employees.
2. All payments made to the Trustee from time to time by the Corporation and designated affiliated or subsidiary corporations and by the employees, together with all profits, increments and

earnings thereon, shall be irrevocable and constitute upon receipt by the Trustee, the Trust Fund to be administered by the Trustee in accordance with the terms of this Trust Agreement, the Health and Welfare Benefit Plan and the Eligibility Requirements.

3. The Trustee shall from time to time on the written directions of an officer of the Corporation so designated by its Board of Directors, or failing such designation, by the Secretary, of the Employees' Benefit Committee of the Corporation, or a Plan Administrator appointed by the Corporation, make payments out of the Fund to such persons, in such manner and in such amounts as may be specified in such directions to the Trustee. In each instance, the written directions shall be deemed to include a certification to the Trustee that such directions and the payments to be made pursuant thereto are in accordance with the terms of the Health and Welfare Plan, which certification shall constitute full and complete protection to the Trustee in complying with such directions.

ARTICLE III - TRUSTEE

1. The Trustee, who shall also be known as the "Trustee of the Health and Welfare Trust", hereby accepts the trust created by the Trust Agreement and agrees to hold, invest, distribute and administer the Trust Fund in accordance with the

terms and conditions of the Health and Welfare Plan and this Trust Agreement.

2. The Trustee is authorized and empowered:

- a) To sell or otherwise dispose of any property held by it;
- b) To exercise all voting and other rights in respect of any stocks, bonds, properties or other investments held in the Trust Fund;
- c) To execute all documents of transfer and conveyance that may be necessary or appropriate to carry out the powers herein granted;
- d) To make payments out of the Trust Fund and to reimburse itself for disbursements incurred pursuant to the exercise of the authorities and powers herein set forth, unless paid by the Corporation;
- e) All monies, securities for money and other assets from time to time held by the Trustee may be in negotiable form or recorded or registered in the name of the Trustee or in the name of its nominee;
- f) When instructed to do so by the Corporation, to commence, maintain, defend, adjust and settle suits and legal proceedings and to represent the Trust Fund at any such suits or proceedings at law or otherwise for the enforcement or realization of any investment;

provided that the Trustee shall not be obliged or required to do so unless it has been first indemnified to its satisfaction against all expenses and liabilities sustained or anticipated by it, and the Corporation hereby agrees so to indemnify the Trustee.

- g) In general, in the carrying out of its duties and responsibilities under the Trust Agreement to exercise the general powers accorded by law to trustees.
- h) The Trustee shall hold, invest and reinvest the principal and income. The Trustee may keep the investments of the Trust fund wholly or partly, in its principal office or in any one or more of its branches in any Province of Canada. Unless otherwise directed by the Corporation, the Trustee shall make only such investments as comply with the limitations and restrictions imposed by applicable Federal and Provincial laws and regulations respecting the investments of trust funds.

Notwithstanding the foregoing, the Corporation may, at any time, or from time to time, direct the Trustee as to specific or general investment of the Trust Fund, and the Trustee shall comply with such directions.

Whenever the Trustee is required or authorized to take any action pursuant to the provisions of this paragraph upon the request, direction or authorization of the

Corporation, such request, direction or authorization shall be a sufficient protection to the Trustee if contained in a writing signed by any person authorized by resolution of the Corporation's Board of Directors to sign such a writing. The Corporation will indemnify and hold harmless the Trustee of and from any liability or expense incurred by it arising out of any payment out of or disposition of the Trust Fund made by the Trustee pursuant to any such request, direction or authorization of the Corporation.

- i) The Trustee may hold such part of the Trust Fund uninvested as the Trustee may deem advisable in the best interests of the Trust Fund for the proper administration thereof.
- j) The Trustee may keep such portion of the Trust Fund, as may from time to time be deemed by it to be in the best interests of the Trust Fund, on deposit in a chartered bank or Government Savings Bank in Canada at such rate of interest, if any, as may be allowed thereon, or on demand deposit at an agreed interest rate with any Trust Company (including the Trustee) then licensed under the laws of Canada or of any Province thereof to carry on business as such.
- k) Notwithstanding any other provision of this Agreement and subject to clause 2 (h) hereof, the Trustee will invest and reinvest all or such portion of the Trust Fund as the

Corporation may from time to time direct in writing in the Northern Telecom Group Trust Fund established by the Company and the Trustee pursuant to an Agreement made and entered into as of the 1st day of January, 1980.

- 1) (i) the Trustee shall, in accordance with the written direction of the Corporation from time to time invest all or any part of the Trust Fund jointly with assets belonging to any other trust funds maintained under a pension plan maintained with the Trustee by the Corporation or by any Corporation associated, subsidiary to or affiliated with the Corporation, and may jointly invest and reinvest on behalf of the Trust Fund and such other trust or trusts, allocating undivided shares or interests in such investments or reinvestments to the two or more trusts in accordance with their respective interests. To facilitate the administration of such joint investments or reinvestments, the Trustee shall identify the undivided shares or interests by way of "units" which shall represent the undivided ownership interest of each participating trust fund in the jointly owned investments;
- (ii) the Trustee shall invest and reinvest all or any portion of the Trust Fund in accordance with the written direction of

the Company in any "Pooled Fund" which phrase shall mean in this Agreement any pooled trust fund maintained by the the Trustee or one of its associated or affiliated Corporations licensed to do business in Canada as a Trustee. Such written direction shall specify that such portion of the Trust Fund to be invested in such Pooled Fund shall be invested as part of one particular section of the Pooled Fund or as parts of two or more sections of the Pooled Fund in such proportions as is set out in such direction, failing which specification the same shall be invested as part of one particular section of the Pooled Fund in such proportion as the Trustee deems advisable.

- m) The Trustee may, with the consent of the Corporation, borrow money in such amounts and upon such terms and conditions as it shall deem advisable and pledge any securities or other property for the repayment of any such loan.
- n) The expenses incurred by the Trustee in the performance of its duties, and such compensation to the Trustee as may be agreed upon in writing from time to time between the Corporation and the Trustee, shall be paid by the Corporation. All taxes of any and all kinds whatsoever that may be levied upon or in respect of the Trust Fund shall be paid

from or be the responsibility of the Trust Fund.

- o) The Trustee shall not be liable for the making, retention, or sale, in good faith, of any investment or reinvestment made by it as herein provided, nor for any loss to or diminution of the Trust Fund, except due to the negligence, wilful misconduct or lack of good faith of the Trustee, its servants, agents or employees.

- p) The Trustee shall keep accurate and detailed accounts of all investments and transactions made by it pursuant to this Agreement and shall keep separate records for each of the separate Plans. The accounts and records relating thereto shall be open to inspection at all reasonable times by any person designated by the Corporation. Within ninety (90) days following the close of each fiscal year of the Trust Fund, or within ninety (90) days after the removal or resignation of the Trustee as provided for in paragraph (q) hereof, the Trustee shall file with the Corporation a statement setting forth all investments and cash transactions effected by it during such fiscal year or during the period from the close of the last fiscal year to the date of such removal or resignation. Upon the expiration of ninety (90) days after the date of filing such annual or other statement, but subject to the provisions of paragraph (o) hereof, the Trustee shall be released and discharged from all liability

and accountability to anyone with respect to its acts and transactions during the period covered by the statement. The Trustee shall from time to time make such reports and furnish such information concerning the trust to the Corporation as the Corporation may in writing request.

q) The Trustee may be removed by the Corporation at any time upon ninety (90) days notice in writing to the Trustee. The Trustee may resign at any time upon ninety (90) days notice in writing to the Corporation. Upon such removal or resignation of the Trustee, the Corporation shall, within said ninety (90) day period, appoint a successor trustee or trustees who shall have the same powers and duties as those conferred upon the Trustee hereunder and, upon acceptance of such appointment by the successor trustee or trustees, the Trustee shall assign, transfer and pay over to such successor trustee or trustees the funds and properties and accounts then constituting the Trust Fund. The Trustee is authorized however, to reserve such sum of money, as may at such time be reasonably owing to it for payment of its fees and expenses and any balance of such reserve remaining after the payment of such fees and expenses shall be paid over to the successor trustee or trustees within thirty (30) days after the date of such removal or resignation.

r) The Trustee shall not be bound to act in

accordance with any direction or request of the Corporation or of its Board of Directors until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act upon and shall be fully protected by the Corporation in acting in accordance with any direction or request of the Corporation upon receipt of any such copy purporting to be authenticated and believed by the Trustee to be genuine. Any direction, request, certificate or other instrument to be made or given by the Corporation under any of the provisions hereof shall, unless otherwise provided herein, be deemed sufficiently authenticated if certified by the Secretary or an Assistant Secretary of the Corporation.

- s) The Trustee may appoint a qualified person, firm or corporation to act as administrator of the Trust Fund to determine on a sound actuarial basis the amounts of Employer's contributions required in order to fund adequately the Health and Welfare Plan and to advise and carry out administrative procedures in accordance with the Health and Welfare Plan and the Eligibility Requirements.

ARTICLE IV - EMPLOYER'S CONTRIBUTIONS

1. The Corporation and its designated affiliated or subsidiary corporations agree to make Employer's

contributions to the Trust Fund in amounts sufficient to pay any claims which may be asserted against the Trust Fund as a result of the administration of the Health and Welfare Plan, and as may otherwise be required from time to time by the Trust for the purposes of the Health and Welfare Plan, as determined by the Trustee on a sound actuarial basis.

2. The Trustee shall determine or cause to be determined, on a sound actuarial basis from time to time, and in any event, once every calendar year, the level of contributions to the Trust Fund necessary to fund adequately the Health and Welfare Plan.
3. Subject to paragraphs (1) and (2) hereof, the Corporation and its designated affiliated or subsidiary corporations shall be responsible for the adequacy of the Trust Fund to meet and discharge any and all payments and liabilities under the Health and Welfare Plan.

ARTICLE V - NOTICES

1. Any notice provided for herein to be given by one party to another shall be in writing and shall be effectively given if delivered personally or by telegram or prepaid registered mail addressed to the Trustee at:

Montreal Trust Company
Pension Trust Administration
Place Ville Marie
Montreal, Quebec H3B 3L6

and if to the Corporation at:

Northern Telecom Limited
Box 458, Station A
Mississauga, Ontario L5A 3A2

Attention: Director, Corporate Compensations

Any notice so given shall be deemed to have been given if delivered personally or given by prepaid registered mail on the third business day immediately following the date of mailing of such notice.

ARTICLE VI - AMENDMENT AND TERMINATION

1. This Trust Agreement may be amended in any respect from time to time by mutual agreement of the Corporation and the Trustee except that no amendment shall divert the Trust Fund or any part thereof as constituted immediately prior to such amendment to a purpose other than the provision of Benefits as herein defined.
2. Upon sixty (60) days prior written notice to the Trustee, the Corporation may terminate its obligation to make Employer's contributions in respect of benefits after the date of written notice to the Trustee (hereinafter called the "Notice of Termination"). Upon receipt of the Notice of Termination the Trustee shall within one hundred twenty (120) days determine and satisfy all expenses, claims and obligations arising under the terms of the Trust Agreement and Health and Welfare Plan up to the date of the Notice of Termination. The Trustee shall also

determine upon a sound actuarial basis, the amount of money necessary to pay and satisfy all future benefits and claims to be made under the Plan in respect to benefits and claims up to the date of the Notice of Termination. The Corporation and the designated affiliated or subsidiary corporations shall be responsible to pay to the Trustee sufficient funds to satisfy all such expenses, claims and obligations, and such future benefits and claims. The final accounts of the Trustee shall be examined and the correctness thereof ascertained and certified by the auditors appointed by the Trustee. Any funds remaining in the Trust Fund after the satisfaction of all expenses, claims and obligations and future benefits and claims, arising under the terms of the Trust Agreement and the Health and Welfare Plan shall revert to the Corporation.

ARTICLE VII - GOVERNING LAW AND SEVERABILITY

1. This Trust Agreement and all amendments thereto shall be administered, construed and enforced in accordance with the laws of the Province of Ontario.
2. If any provision of this Trust Agreement, the Health and Welfare Plan, the Eligibility Requirements or the rules and regulations made pursuant thereto, or any action taken in the administration of the funds of the Trust Fund or the Health and Welfare Plan are held to be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining portions of this Trust Agreement, the

Health and Welfare Plan, the Eligibility Requirements, or the rules and regulations made pursuant thereto unless such illegality or invalidity prevents accomplishment of the purposes of the trust hereby created. In the event of any such holding, the parties will immediately commence negotiations to remedy any such defect.

ARTICLE VIII - CLAIMS BY BENEFICIARIES

1. No person entitled to benefits under the Plan shall have any claim against the Trustee or the Trust fund except by or through the Corporation, and the Corporation shall indemnify and save the Trustee harmless from any such claim including the costs of defense.

ARTICLE IX - MISCELLANEOUS

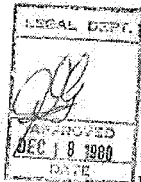
1. Wherever in this Agreement the word "Corporation" is used, it shall be deemed to mean and shall include the Corporation's successor and any other Corporation with which the Corporation may have amalgamated, whether under its present name or any other name.

To the extent required by any Federal or Provincial law or regulation that are or might be promulgated from time to time, the Corporation shall be the administrator of the Plan and the duties of the Corporation as such administrator hereby are delegated to the Trustee to the extent provided in this Agreement.

A copy of the Health and Welfare Plan initialled by the Parties may be annexed to this Agreement and may be amended from time to time and when so annexed shall form part hereof, but no terms or provisions of this Agreement shall be construed or interpreted as imposing upon the Trustee any obligation to see to the administration of or the carrying out of any of the terms or provisions of the Plan.

Any corporation resulting from any merger or consolidation to which the Trustee may be a party or succeeding to the trust business of the Trustee, or to which substantially all the trust assets of the Trustee may be transferred while the Trustee continues to act as Trustee hereunder shall be the successor to the Trustee hereunder without any further act or formality with like effect as if such successor trustee had originally been named trustee herein.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereto duly authorized and their corporate seals to be hereunto affixed and attested as of this 1st day of January, 1980.



Per: [Signature]
Vice President

Per: [Signature]
Secretary

MONTREAL TRUST COMPANY

Per: [Signature]

W. H. WHITELOCK, SENIOR CONSULTANT, HEAD OFFICE PENSION SERVICES

Per: [Signature]