NORTEL

December 1, 2005

The Northern Trust Company, Canada,
Successor Trustee of the Nortel Health and Welfare Trust
161 Bay Street
Suite 4540, B.C.E. Place
Toronto, Ontario M5J 2S1

Attention: Veda Nancoo

Pursuant to that certain Appointment of Successor Trustee and Acceptance of Appointment of Successor Trustee dated as of December 1, 2005, you are currently acting as the Successor Trustee of the Nortel Health and Welfare Trust dated January 1, 1980 as amended on September 24, 1984 and June 1, 1994 (the "Health and Welfare Trust").

Notwithstanding anything to the contrary in the Health and Welfare Trust and for the avoidance of any doubt, we agree that you shall have no responsibility for determining, reviewing or monitoring the amounts of Nortel Networks Limited's contributions required in order to fund adequately the Health and Welfare Plan ("Contribution Amounts") nor to advise and carry out administrative procedures in accordance with the Health and Welfare Plan and the eligibility Requirements.

Nortel Networks Limited agrees that it shall be solely responsible for determining said Contribution Amounts on a sound actuarial basis and administering the Health and Welfare Plan and agrees to indemnify and hold you harmless from any and all costs, losses, damages, claims, actions, suits, liabilities, expenses or other charges (including attorneys' fees) that you incur directly or indirectly arising out of the contributions made (or not made) by Nortel to the Health and Welfare Trust or out of the administration of the Health and Welfare Plan.

This indemnification shall survive the termination of the Health and Welfare Trust. To the extent necessary, this letter shall constitute an amendment to the Health and Welfare Trust.

Nortel Networks Limited

By: William J. LaSalle
Name & Title William J. LaSalle
General Counsel - Operations

By: K.B. Stevenson
Name & Title K.B. Stevenson
Treasurer

Accepted and Agreed:
The Northern Trust Company, Canada

By:
Name & Title JEFFREY W. CONOVER
PRESIDENT & CEO

By:
Name & Title VEDA NANCOO
VICE PRESIDENT