<u>CONFIDENTIAL – FILED UNDER SEAL</u>

CANADA	(CLASS ACTION)
PROVINCE OF QUÉBEC **DISTRICT OF MONTREAL**	**SUPERIOR COURT**

NO : 500-06-000277-059

CLIFFORD W. SKARSTEDT

Petitioner

- v. -

CORPORATION NORTEL NETWORKS

Respondent

AGREEMENT AND CONFIRMATION OF THE SUPPLEMENTAL AGREEMENT
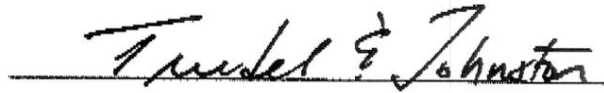
(Dated as of June 20, 2006)

WHEREAS on June 20, 2006, Corporation Nortel Networks ("Nortel") and the Petitioner hereto entered into the Settlement Agreement and Confirmation of Stipulation of Settlement (the "Settlement Agreement") by which the parties to the Settlement Agreement agreed to settle this action pursuant to the terms contained in the Stipulation and Agreement of Settlement attached as Schedule "A" to the Settlement Agreement (the "Stipulation");

AND WHEREAS, pursuant to the Stipulation, the Petitioner hereto and Nortel (together with the Petitioner, the "Parties") have agreed to the terms under which Nortel may withdraw from and terminate the Settlement Agreement as set out in the Supplemental Agreement attached hereto as Schedule "A";

IN CONSIDERATION OF the mutual covenants contained herein, in the Settlement Agreement, and in the Supplemental Agreement, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the Parties), the Parties agree as follows:

1.   The Petitioner hereto and Nortel agree to the terms of the Supplemental Agreement as the terms under which Nortel may withdraw from and terminate the Settlement Agreement and hereby adopt and ratify the terms of the Supplemental Agreement;

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2. Counsel executing this Agreement warrant and represent that they have full authority to enter into this Agreement on behalf of their respective clients; and

3. This Agreement may be signed in counterparts and all such signed counterparts and each of them shall be deemed to be one and the same instrument.

TRUDEL & JOHNSTON
Counsel for the Petitioner

OGILVY RENAULT LLP
Counsel for Corporation Nortel Networks