

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

PETER GALLARDI

Plaintiff

- and -

NORTEL NETWORKS CORPORATION, FRANK A. DUNN
DOUGLAS BEATTY, MICHAEL GOLLOGLY,
JOHN EDWARD CLEGHORN, ROBERT ELLIS BROWN,
ROBERT ALEXANDER INGRAM, GUYLAINE SAUCIER,
SHERWOOD HUBBARD SMITH, JR. and DELOITTE & TOUCHE LLP

Defendants

**AGREEMENT AND CONFIRMATION OF THE
SUPPLEMENTAL AGREEMENT**

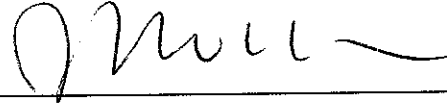
(Dated as of June 20, 2006)

WHEREAS on June 20, 2006, Nortel Networks Corporation ("Nortel") and the plaintiff 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 plaintiff hereto and Nortel (together with the plaintiff, 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";

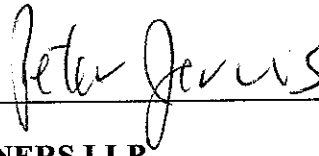
IN CONSIDERATION OF the mutual covenants contained herein, in the Settlement Agreement, and in the Supplemental Agreement, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the Parties), the Parties agree as follows:

1. The plaintiff 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;
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.



ROCHON GENOVA LLP
Barristers • Avocats
121 Richmond Street West, Suite 900
Toronto, Ontario M5H 2K1

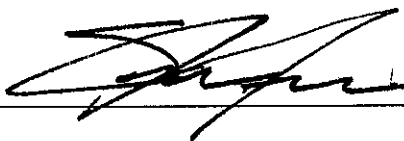
Joel P. Rochon (LSUC#: 28222Q)
Telephone: (416) 363-1867
Facsimile: (416) 363-0263



LERNERS LLP
Barristers & Solicitors
130 Adelaide Street West, Suite 2400
Toronto, Ontario M5H 3P5

Peter R. Jervis (LSUC#: 22774A)
Telephone: (416) 601-2356
Facsimile: (416) 867-9192

Co-counsel for the Plaintiff



OGILVY RENAULT LLP

Barristers and Solicitors

Royal Bank Plaza, South Tower

200 Bay Street, Suite 3800

P.O. Box 84

Toronto, Ontario M5J 2Z4

Steve J. Tenai

Telephone: (416) 216-4023

Facsimile: (416) 216-3930

Co-Counsel for Nortel Networks Corporation