



INFORMATION BULLETIN TO EXPERTECH EMPLOYEES WHO ARE FORMER NORTEL EMPLOYEES RE THE RETIREMENT ALLOWANCE PLAN (RAP)

February 23, 2009

On February 16, 2009, Expertech sent a registered letter to all Expertech retirees who are former Nortel employees and who have been receiving monthly Retirement Allowance Plan (RAP) payments, in addition to their pension.

Expertech advised these 35 employees that unfortunately the monthly RAP benefit payment is ceasing effective immediately due to Nortel's failure to reimburse Expertech for these benefits. (This does not affect their Expertech monthly pension, payable from the Bell Canada Pension Plan.)

There are current members of the Expertech C&S and Associates Bargaining units who are also entitled to the RAP, when they retire. See the Memorandum of Agreement on Pension (Former Nortel Employees) included in the back of the current Collective Agreements.

Our current members have asked the Union some questions with regard to the impact of the ongoing Nortel situation on the RAP and the answers are below:

1. Is Expertech guaranteeing that our RAPs will be paid upon our retirement regardless of the Nortel situation?

Answer: As per the Memorandum of Agreement re Pension (Former Nortel Employees) found in the Expertech C&S and Associates Collective Agreements, the grandfathered entitlement to RAP is "conditional on Nortel continuing to reimburse the Company for this benefit..."

The Union requested that Expertech guarantee the RAP in the face of the current difficulties of Nortel. Expertech has not agreed to do so, stating that it is not their obligation and adding that it is a considerable sum of money.

2. Is (has?) Expertech making a claim for the RAP funds for all its affected employees?

Answer: CEP is not able to speak for Expertech. FYI - There is no claim process yet. Nortel has applied under the Companies' Creditors Arrangement Act (CCAA) for bankruptcy protection and a Monitor (Ernst & Young) has been appointed. Nortel has also been granted an extension of the stay of proceedings until May 2009. The Monitor is currently reviewing the indebtedness and assets of Nortel. A plan may be forthcoming to bring Nortel out of CCAA and forward.

CEP has consulted its lawyers and our lawyer (Gail Misra from Caley Wray) has been added to the service list for all announcements from the Monitor. As time and events move forward, the Court may sanction a Claims process. The Union will be discussing with our lawyer the best way to protect the interests of our current and former (retired) members as events move forward and as part of a potential claims process.

3. Or should affected employees file an individual claim with Ernst & Young?

Answer: CEP will advise its Locals how we intend to handle the claim process as events unfold. It is still early days and the claim period is yet to be established.

Further information is posted on the CEP website.

Janice McClelland
CEP National Representative

JMc :lmc/cope-343