

Nortel Networks

Business Travel Accident  
Insurance Plan

Summary Plan Description  
2013

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# ABOUT THIS SUMMARY PLAN DESCRIPTION

This is the Summary Plan Description (SPD) that describes the provisions of the Nortel Networks Business Travel Accident (BTA) Insurance Plan in effect for the 2013 Calendar Year for Employees of Nortel Networks Inc. and certain other Nortel Networks employers that have adopted the Plan for their employees and are based in the United States. It is designed to provide you with detailed information about your BTA insurance benefits and to connect you to other sources of information that could not be described fully in this SPD. It is divided into the following sections:

- **SECTION ONE - BUSINESS TRAVEL ACCIDENT (BTA) INSURANCE PLAN BENEFITS** describes the provisions of the BTA Insurance Plan that determine your benefits.
- **SECTION TWO - ADMINISTRATIVE INFORMATION** includes administrative details about the BTA Insurance Plan, such as how to file Claims and appeal denied Claims, where to get more information, your ERISA rights and how the Company may amend the plan.
- **SECTION THREE - GLOSSARY** contains brief descriptions of terms used in this SPD.

Although BTA Insurance provides coverage for Employees outside the U.S. and some contractors, consultants, directors, etc. this SPD will describe only those provisions applicable to Employees of Nortel Networks Inc. and certain other Nortel Networks employers that have adopted the Plan for their employees who are based in the U. S. and their Spouses.

In no case does this document indicate or guarantee any right of future employment.

Please note that certain key words in this document are capitalized. You can find these words defined in the applicable sections of this SPD or in the Glossary section at the end of this document. References to “you” and “your” throughout this document are references to either the Employee or his/her Spouse.

## SECTION ONE - BUSINESS TRAVEL ACCIDENT (BTA) INSURANCE PLAN BENEFITS

This section describes the provisions of the BTA Insurance Plan including who is eligible, how participation is elected, what benefits are paid, and when participation ends.

### Introduction to BTA Insurance Plan Benefits

Your BTA benefit helps you or your family if you are Seriously Injured or die in an Accident “while on Company business”. The Company has chosen Chartis Insurance Company to insure the BTA Insurance Plan.

The complete requirements for payment of the BTA Insurance Plan benefits, including a complete listing of covered services, exclusions and limitations, can be found in the group contract that governs the Plan. A copy of the group contract for the BTA Insurance Plan can be obtained from the Company. If there is a difference between this summary and the group contract, the group contract will control.

The information contained in this document is a summary plan description (SPD) under the terms of the Employee Retirement Income Security Act of 1974 (ERISA). The complete terms of the BTA Insurance Plan consist of:

- this SPD, as well as
- subsequent information that is provided to you about the Plan changes from year-to-year, and
- terms and conditions of Nortel Networks Business Travel Accident Insurance Policy with Chartis Insurance

## PLAN HIGHLIGHTS

### Schedule of Coverage

<b>INSURED PERSONS</b>		
<b>Description</b>	<b>Principal Sum</b>	<b>Hazard Applications</b>
Employees	5X Basic Annual Salary*	H-12 (24 hour Accident protection while on a trip - business only)
Spouse	1X Employee's Basic Annual Salary*	H-12 (24 hour Accident protection while on a trip - business only)
Emergency Crew Member and/or Volunteer Firefighter	2X Basic Annual Salary*	H-Emergency Crew and/or Volunteer Firefighter (while on Nortel Networks premises and performing duties of Emergency Crew Member and/or Volunteer Firefighter)
Executive	5X Basic Annual Salary*	H-20 (24 hour protection business and pleasure)
Executive's Spouse	1X Executive's Basic Annual Salary*	H-20 (24 hour protection business and pleasure)

\* Total Target Compensation (TTC) for Employees participating in a Nortel Networks sales incentive compensation plan.

<b>TABLE OF LOSSES</b>	
<b>Type of Loss</b>	<b>Indemnity Payable</b>

Loss of Life	The Principal Sum
Loss of Both Hands	The Principal Sum
Loss of Both Feet	The Principal Sum
Loss of Entire Sight of Both Eyes	The Principal Sum
Loss of One Hand and One Foot	The Principal Sum
Loss of One Hand and the Entire Sight of One Eye	The Principal Sum
Loss of One Foot and the Entire Sight of One Eye	The Principal Sum
Loss of One Arm	Three-Quarters of The Principal Sum
Loss of One Leg	Three-Quarters of The Principal Sum
Loss of One Hand	Two-Thirds of The Principal Sum
Loss of One Foot	Two-Thirds of The Principal Sum
Loss of The Entire Sight of One Eye	Two-Thirds of The Principal Sum
Loss of Thumb and Index Finger of the Same Hand	One-Third of The Principal Sum
Loss of Speech and Hearing	The Principal Sum
Loss of Speech or Hearing	Two-Thirds of The Principal Sum
Loss of Hearing in One Ear	One-Sixth of The Principal Sum
Quadriplegia (total paralysis of both upper and lower limbs)	The Principal Sum
Paraplegia (total paralysis of both lower limbs)	The Principal Sum
Hemiplegia (total paralysis of upper and lower limbs of one side of the body)	The Principal Sum
Loss of Use of Both Arms or Both Hands	The Principal Sum
Loss of Use of One Hand or One Foot	Two-Thirds of The Principal Sum

Loss of Use of One Arm or One Leg	Three-Quarters of The Principal Sum
Loss of Four Fingers of One Hand	One-Third of The Principal Sum
Loss of All Toes of One Foot	One Eighth of The Principal Sum

"Loss" as above used with reference to quadriplegia, paraplegia, and hemiplegia means the complete and irreversible paralysis of such limbs; as above used with reference to hand or foot means complete severance through or above the wrist or ankle joint, but below the elbow or knee joint; as used with reference to arm or leg means complete severance through or above the elbow or knee joint; as used with reference to thumb and index finger means complete severance through or above the first phalange; as used with reference to fingers means complete severance through or above the first phalange of all four fingers of one hand and as used with reference to toes means, complete severance of both phalanges of all the toes of one foot.

"Loss" as above used with reference to speech means complete and irrecoverable loss of the ability to utter intelligible sounds; as used with reference to hearing means complete and irrecoverable loss of hearing in both ears and as used with reference to eye means the irrecoverable loss of the entire sight thereof.

"Loss" as used with reference to "Loss of Use" means the total and irrecoverable loss of use provided the Loss is continuous for 12 consecutive months and such Loss of Use is determined to be permanent.

## Additional Benefits

### Repatriation Benefit

If an Accident occurs more than 200 km from your home, BTA Insurance will pay the actual expenses for shipment of your mortal remains to your residence. Benefit is not to exceed \$10,000\*.

### Rehabilitation Benefit

BTA Insurance will pay up to \$10,000\* for rehabilitation services.

### Family Transportation

If an Accident occurs more than 200 km. from your home, BTA insurance will pay for the round-trip transportation of one family member to visit you in the hospital.

### Home Alteration and Vehicle Modification

If you require a wheelchair secondary to an Injury, BTA insurance will pay the cost of alterations to your home and motor vehicle to make them wheelchair accessible. Maximum benefit is \$10,000\*

### Seat Belt Rider

BTA benefits are increased by 10% if you are in an automobile accident and wearing a seat belt properly fastened.

## Permanent Total Disability

BTA insurance will pay the Principle Sum in the event the Insured Person becomes permanently and totally disabled as defined herein.

## WHO IS ELIGIBLE

- Employees and Spouse – 24 hours per day coverage for business trips only.
- Executive and Spouse – 24 hours per day coverage for business and pleasure trips.
- Emergency Crew Member and/or Volunteer Firefighter – while on Nortel Networks premises and performing duties of an Emergency Crew Member or Volunteer Firefighter

If you are a member of a bargaining unit, you are not eligible for the BTA Insurance Plan unless specified in the collective bargaining agreement. If you are a non-payrolled worker, you are not eligible for the BTA Insurance Plan.

## WHEN COVERAGE BEGINS

BTA insurance coverage is automatically effective on your Hire Date.

## WHAT COVERAGE COSTS

The Company provides BTA insurance to Employees at no cost. However, the Company reserves the right to apply a cost for coverage.

## HOW BENEFITS ARE PAID

The BTA insurance will pay a lump sum benefit to your Beneficiary if you die as the result of an Accident “while on Company business”. If the Accident results in your Permanent Total Disability, the Plan will pay a lump sum benefit directly to you.

## BENEFICIARY

Your Beneficiary is the person who receives Plan payments in the event of your death. You can name anyone you wish as your Beneficiary. BTA insurance benefits will be payable to the beneficiary who is designated in writing by you in the Nortel Networks Active Employee Group Term Life Insurance Beneficiary Designation Form. This form is typically completed during the hiring benefits enrollment process but may be resubmitted with changes at anytime. You can name one person or several people as beneficiary(ies). If more than one person is named, you must indicate the percentage of the total benefit each person should receive. If you do not indicate each person’s share, they will share equally in the benefit.

The [Nortel Active Employee Group Term Life Insurance Beneficiary Designation Form](#) can be obtained by calling HR at 800-676-4636 or found on [www.nortel-us.com](http://www.nortel-us.com). Completed forms should be submitted to HR as described on this form. Once received by HR, the change will take effect on the date you sign the form.

If you do not designate a Beneficiary, benefits under this policy shall be payable according to the local laws with respect to such matters in the home state of the Insured person.

Your Beneficiary is the person who receives Plan payments in the event of your death. You can name anyone you wish as your Beneficiary. If more than one person is named, you must indicate the percentage of the total benefit each person should receive. If you do not indicate each person's share, they will share equally in the benefit.

REMEMBER: Benefits will be payable to the Beneficiary you have designated in the Nortel Networks Active Employee Group Term Life Insurance Beneficiary Designation form. Make sure your designation is current.

## EXCLUSIONS

BTA insurance does not cover any Loss, fatal or non-fatal, caused by or resulting from:

- suicide or any attempt thereat by the Insured Person while sane or self destruction or any attempt thereat by the Insured Person while insane;
- Injury sustained in consequence of riding as a passenger or otherwise in any vehicle or device for aerial navigation;
- active full time service in the armed forces of any country;
- flying in a Nortel Networks owned, leased, chartered or operated aircraft while it is carrying passengers for hire;
- flying in any aircraft while it is being used for or in connection with acrobatic or stunt flying, racing or endurance tests; or
- flying in any aircraft while it is being used for or in connection with fire fighting, exploration, any form of hunting, bird or fowl herding, banner towing or any test or experimental purpose, unless previously consented to in writing by the Company.

BTA benefits are not payable if your death or Injury:

- occurs while commuting to your normal work site;
- occurs during a personal side trip "while on Company business" unless defined as Incidental Travel; or
- results from participation in the commission of an assault or felony.

## WHEN COVERAGE ENDS

Your BTA Insurance coverage will end on the earliest of:

- the date your employment ends, or
- the date you stop qualifying for coverage, or
- the date the Plan ends or the part of the Plan providing the coverage ends..

Your Spouse's BTA Insurance will end when your coverage ends.



For coverage purposes, your employment will end when you are no longer Actively at Work as an eligible full-time or part-time Employee.

## Other Important Information

The Nortel Networks Long Term Disability Plan benefit may be reduced by a Permanent Total Disability lump sum payout from the BTA Insurance Plan. For more information on this topic, please review the U. S. Benefits Short-Term and Long-Term Disability Plans 2013 Summary Plan Description (“Reduction in Benefits Due to Other Income” section) found at [www.nortel-us.com](http://www.nortel-us.com).

## SECTION TWO – ADMINISTRATIVE INFORMATION

This Administrative Information section provides further administrative details about this Plan, such as identifying information about the Plan that is required under ERISA, how to file Claims and appeal denied Claims, where to get more information, your ERISA rights and how the Company may amend the Plan.

### Identifying Information

Plan Type under ERISA: Welfare Plan

Plan Number: 507

Funding Method: Insured

Contribution Source: The companies that sponsor the Plan pay the full cost of the BTA Insurance Plan.

Companies that Sponsor the Plan: Nortel Networks Inc. (employer identification number 04-2486332) and certain other related companies sponsor this Plan for their eligible Employees. For a current list of sponsoring companies that are located in the United States, please contact HR at 1-800-676-4636.

The address for Nortel Networks Inc. is: Nortel Networks Inc.  
4001 E. Chapel Hill-Nelson Hwy.,  
P. O. Box 13010  
Research Triangle Park, NC. 27709-3010

Agent for Service of Legal Process: The Corporation Trust Company  
Corporation Trust Center  
1209 Orange Street  
Wilmington, DE 19801

## CONTACT INFORMATION FOR CLAIMS FILING

The information below provides addresses and phone numbers both for filing Claims and appealing denials of Claims for this Plan. For Claims filed on or after January 1, 2003, the ultimate decision about your eligibility for benefits under the Plan is made by the named ERISA “claims fiduciary”, Chartis Insurance Company. Chartis Insurance Company has been delegated the exclusive authority by the Plan Administrator to interpret and administer the provisions of the Plan that apply to the Claim under review, including discretionary authority to:

- construe and interpret the terms of the Plan;
- determine the validity of charges submitted under the Plan; and
- make final, binding determinations concerning the availability of Plan benefits.

Please note that determinations made by Chartis Insurance Company relate solely to whether or not benefits are available under the Plan or whether eligibility for Plan participation is available under the written terms of the Plan.

### Filing Claims

This section outlines the procedures and applicable time limits for filing Claims and filing appeals of denied Claims and other benefit determinations under the Plan. These procedures are intended to comply with the requirements of ERISA and will be interpreted in accordance with ERISA requirements. These procedures are effective for Claims filed on or after January 1, 2013.

To make a formal Claim for benefits, you must file a written Claim with Chartis Insurance Company. HR will submit Claims on your behalf after their receipt of the required information from you.

Contact the Chartis Insurance claims department for additional details:

E-mail address: [ahclaimscan@chartisinsurance.com](mailto:ahclaimscan@chartisinsurance.com)

Claims line: 416 596 4005

Toll free number: 1 877 317 8060

Proof must be furnished within 90 days after the date of loss. A Claim will not be considered valid unless the proof is furnished within this limit. However, it may not be reasonably possible to do so. In that case, the Claim will still be considered valid if the proof is furnished as soon as reasonably possible. The definition of reasonably possible is determined by Chartis Insurance Company.

When filing a Claim for benefits after a Bodily Injury, the BTA Insurance Plan may require you to undergo a physical examination at the Company's expense.

You will receive a written notice from Chartis Insurance Company regarding your Claim within 90 days of its receipt by the Chartis Insurance Company. If an extension of time is required to process your Claim, you will receive written notice of the need for an extension before the end of the 90-day period, explaining the reasons for the delay. If you are not furnished notice within the 90-day period, a telephone inquiry should be made to the Chartis Insurance Company regarding the status of the Claim. If the Chartis Insurance Company denies the Claim, you may begin the appeal process

## Appealing a Denied Claim

### If You Receive an Adverse Benefit Determination from Chartis Insurance Company

Chartis Insurance Company will provide you with notification of any adverse benefit determination, which will set forth:

- The specific reason(s) for the adverse benefit determination.
- Reference to the specific Plan provisions on which the benefit determination is based.
- A description of any additional material or information that is necessary for you to perfect the Claim and an explanation of why that material or information is necessary.
- A description of the Plan's appeal procedures and time limits applicable to such procedures, including a statement of your right to bring civil action under ERISA after an adverse determination on appeal.

### Procedures for Appealing an Adverse Benefit Determination

You, or your authorized representative, have 60 days following the receipt of a notification of an adverse benefit determination within which to appeal the determination to Chartis Insurance Company.

Their address for the mailing of your written appeals is:

Chartis Insurance Company  
145 Wellington Street West  
Toronto, Ontario M5J 1H8

You have the right to the following information or to make the following requests from Chartis Insurance Company:

1. Submit written comments, documents, records and other information relating to the Claim for benefits.
2. Request free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your Claim for benefits. For this purpose, a document, record or other information is treated as "relevant" to your Claim if it:
  - Was relied upon in making the benefit determination.
  - Was submitted, considered or generated in the course of making the benefit determination, regardless of whether such document, record or other information was relied upon in making the benefit determination.
  - Demonstrates compliance with the administrative processes and safeguards required in making the benefit determination.

3. A review that takes into account all comments, documents, records and other information submitted by you relating to the Claim, regardless of whether such information was submitted or considered in the initial benefit determination.

Chartis Insurance Company will notify you of the benefit determination on review of an appeal under the BTA Insurance Plan within a reasonable period of time, but not later than 60 days after receipt of your request for review by the Plan. This 60-day period may be extended for up to an additional 60 days, if the Chartis Insurance Company:

- determines that special circumstances require an extension of time for processing the Claim, and
- notifies you of the special circumstances requiring the extension of time and the date by which the Plan expects to render a determination upon review before the initial 60-day period expires.

In the event an extension is necessary due to your failure to submit necessary information, the Plan's timeframe for making a benefit determination on review stops on the date Chartis Insurance Company sends you the extension notification until the date you respond to the request for additional information.

The Chartis Insurance Company notice of an adverse benefit determination on appeal will contain all of the following information:

1. The specific reason(s) for the adverse benefit determination.
2. Reference to the specific Plan provisions on which the benefit determination is based.
3. A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your Claim.
4. A statement describing any voluntary appeal procedures offered by the Plan and your right to obtain the information about such procedures.
5. A statement of your right to bring action under ERISA.

## General Information about BTA Insurance Plan Participation Appeals

You and your Plan may have other voluntary alternative options, such as mediation. One way to find out what may be available to you is to contact your local U.S. Department of Labor Office and your state insurance regulatory agency.

# YOUR RIGHTS UNDER ERISA

As a participant in the Company's Employee benefit plan, you have certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that, as a plan participant, you will be entitled to:

### Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Administrator's office or your work location, during normal working hours, all plan documents governing the plan, including insurance contracts, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the plan, including insurance contracts, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may request a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a summary of this annual report.

### **Prudent Actions by Plan Fiduciaries**

In addition to creating rights for plan participants, ERISA imposes duties upon those who are responsible for the operation of your Employee benefit plan.

The people who supervise the operation of your plans, called "fiduciaries," have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

### **Enforce Your Rights**

If your Claim for a welfare benefit is denied in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a Claim for benefits that is denied or ignored, in whole or in part, you may file suit in Federal or state court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a medical child support order, you may file suit in Federal court.

If it should happen that a plan fiduciary misuses the plan's money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or file suit in Federal court.

In the event of legal action, the court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if the court finds your Claim is frivolous.

### **Assistance With Your Questions**

If you have questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator you should contact the nearest office of the Pension and Welfare Benefit Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

## **FUTURE OF THE PLAN**

Although the benefits currently available (in the 2013 Plan Year) are described in this summary for the Company's Business Travel Accident Plan, the Company reserves the right to change or end the Plan described in this summary and the coverage and benefits provided thereunder at any time. Any Plan changes will result from actions taken and approved by the Company. The Company may adopt such changes or terminate the Plan at any time and for any reason without prior notice or consent.

The Company's practices, policies, and benefits are outlined here for your information as required by law. However, this does not constitute an implied or expressed contract or guarantee of employment.

## SECTION THREE – GLOSSARY

If a different definition of any of the following words is provided in the section describing a particular Plan benefit, that definition applies instead of the definition listed below.

**Accident** - An unexpected event resulting in Bodily Injury or death by an external trauma.

**Actively at Work** - You will be considered Actively at Work on any of the Company's scheduled work days if you are performing the regular duties of your job on that day in accordance with your regularly scheduled hours, either at a Company defined place of business or at some location to which you are required to travel for Company business

**Basic Annual Salary** - means an Employee's basic annual wage and excludes commissions, bonuses, overtime, and other forms of compensation other than wages, as determined by Nortel Networks. For Employees participating in a Nortel Networks sales incentive compensation plan, for the purpose of this SPD, Basic Annual Salary means Total Target Compensation (TTC).

**Beneficiary** - The person or persons you have chosen to receive benefit payments in the event of your death.

**Bodily Injury** - Injury to the body of an Insured Person.

**Bona Fide Vacation** - An earned benefit to which an Insured Person becomes entitled to by virtue of his or her work or service with Nortel Networks and excludes any leave of absence due to Accident or Illness, educational or similar types of absences authorized by Nortel Networks and excludes any absence due to travel as authorized by Nortel Networks as an international assignment.

**Calendar Year** - January 1 through December 31. This period is also known as the Plan Year for the purposes of all health care plans.

**Claim** - A request by a covered person for a benefit under the Plan.

**Company** - Nortel Networks Inc. (NNI) and subsidiaries of, or other companies related to, Nortel Networks Inc. (NNI), that have been authorized by the Board of Directors of NNI. Companies related to NNI and authorized by NNI to participate in the plan are also included.

**Emergency Crew Member and/or Volunteer Firefighter** - A member of Nortel Networks emergency crew and/or volunteer fire crew officially designated by Nortel Networks to render such services.

**Employee** - A person employed by the Company or any of its Affiliates on a permanent basis; the term also applies to that person for any rights after coverage ends. The term specifically excludes independent

contractors and all other workers providing services to the Company or an Affiliate who are not recorded as Employees on the payroll records of the Company or an Affiliate, including any such individual who is subsequently reclassified by a court of law or a regulatory body as a common law employee of an Employer.

**Executive** - Any person holding a senior management position within the organization of Nortel Networks with a job classification of JCI55.

**HR** - Nortel's Human Resources. By contacting HR, request needed forms and information or change your employee information, such as your home address.

**Hire Date** - The date your employment with the Company begins.

**Illness** - Any disorder of the body or mind of a covered person, but not an Injury or pregnancy, including abortion, miscarriage or childbirth.

**Incidental Travel** - Personal trips taken in conjunction with an authorized business trip, lasting no more than 4 days and excludes Bona Fide Vacations and holidays.

**Injury** - A condition that results in damage to the covered person's body, independently of Illness.

**Insured Person** - Any person as identified in the INSURED PERSONS section of this SPD.

**Loss or Loss of Use** - See Table of Losses section of this document.

**Permanent Total Disability** - As a result of accidental Bodily Injury, the Insured Person is within 180 days from the date of the Accident permanently and totally prevented from engaging in his or her own occupation or any other employment for compensation or profit for which the Insured Person is qualified to perform by reason of education, training or experience and provided such disability has continued for a period of 12 consecutive months and is total, continuous and permanent at the end of this period.

**Physician** - A licensed practitioner of the healing arts acting within the scope of his/her license.

**Plan** - Summary Plan Description (SPD) that describes the provisions of the Nortel Networks Business Travel Accident (BTA) Insurance Plan

**Plan Administrator** - Nortel Networks Inc. (NNI) acting by and through its Board of Directors, except where noted otherwise.

**Plan Year** - January 1 to December 31. The Plan Year may change from time to time as determined by the Plan Administrator prior to the first day of the Plan Year.

**Principal Sum** - Shall have the meaning ascribed thereto in the INSURED PERSONS Section of this SPD.

**Seriously Injured** - A condition for which benefits are payable under BTA Insurance coverage due to losses described in the Table of Losses in this SPD.

**Spouse** – Person of the opposite sex or same sex who is designated as the Spouse of the member as determined in accordance with local business practices of Nortel Networks for the purposes of employee benefits in the home state of the member and provided that only one individual will be recognized as the Spouse.

**Target Base Incentive Compensation** – Sales term; annual target at risk incentive pay based on 100% achievement of pre-determined objectives.

**Total Target Compensation (TTC)** – An Employee’s basic annual salary plus Target Base Incentive Compensation (BIC) earned when business objectives are 100% achieved.

**“while on Company business”** - While on assignment, including international assignments regardless of duration, by or at the direction of Nortel Networks for the purpose of furthering the business of Nortel Networks and in general, as required by or authorized by Nortel Networks, provided that Injury sustained during the course of everyday travel to and from work (except while on assignment), Bona Fide Vacations and a leave of absence granted in accordance with the rules of Nortel Networks shall not be included in this definition. Any event sponsored by Nortel Networks which requires travel to or from the event shall be considered business travel for the purpose of this SPD. Truck drivers who are Employees of Nortel Networks are covered only when they are assigned to trips outside of their normal duties or requirements.