

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED (the "Act")**

- and -

**IN THE MATTER OF
CERTAIN DIRECTORS, OFFICERS AND INSIDERS OF
NORTEL NETWORKS CORPORATION AND NORTEL NETWORKS LIMITED
(BEING THE INDIVIDUALS AND ENTITIES LISTED
IN SCHEDULE "A" HERETO)**

**NOTICE OF HEARING
(Subsection 127(1) and 127(5))**

WHEREAS the Director made an order under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act on the 17th day of May, 2004 (the "Temporary Order"), that all trading, whether direct or indirect, by each of each of the individuals and entities listed in Schedule "A" to the Temporary Order (individually, a "Respondent" and collectively, the "Respondents") in securities of Nortel Networks Corporation ("NNC") and Nortel Networks Limited ("NNL") cease for a period of fifteen days from the date of the Temporary Order;

AND WHEREAS NNC has announced that each of NNC and NNL will restate the financial results reported in each of the quarterly periods of 2003 and for earlier periods including 2002 and 2001 and will be delayed in filing its annual financial statements for the year ended December 31, 2003 by the required filing date under Ontario securities law, namely May 19, 2004 and its interim statements for the first quarter ended March 31, 2004 by the required filing date under Ontario securities law, namely May 15, 2004;

AND WHEREAS the Temporary Order was made because the Director was of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

AND WHEREAS the Director may revoke the Temporary Order within the fifteen-day period if NNC and NNL remedy the Default to the satisfaction of the Director and are not at that time otherwise in default of their obligations under Ontario securities law;

TAKE NOTICE that the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to section 127 of the Act (a “Hearing”) at 20 Queen Street West, 17th Floor Hearing Room, Toronto, Ontario commencing on the 31st day of May, 2004 at 10:00 a.m. or as soon as possible after that time;

TO CONSIDER whether, pursuant to subsection 127(1) of the Act, it is in the public interest for the Commission to make an Order:

1. that trading, whether direct or indirect, by any of the Respondents in securities of NNC and NNL cease until two business days following the receipt by the Commission of all filings NNC and NNL are required to make pursuant to Ontario securities laws or for such period as the Commission may determine; and/or
2. such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Staff may advise and the Commission may permit;

AND FURTHER TAKE NOTICE that any party to the proceeding may be represented by counsel at the Hearing;

AND FURTHER TAKE NOTICE that if a party fails to attend the Hearing, the Hearing may proceed in the absence of that party and such party will not be entitled to receive any further notice of the proceeding;

AND FURTHER TAKE NOTICE that, pursuant to subsection 127(7) of the Act, the Temporary Order may be extended until the Hearing is concluded or under subsection 127(8) of the Act if satisfactory information is not provided within the fifteen-day period.

DATED at Toronto this 17th day of May, 2004.

Ontario Securities Commission

“Rose Gomme”

A / Secretary to the Commission

Schedule "A"

Adam, Herve
Auriol, Helene Marie Jacqueline Madeleine
Barnes, Debbie
Barrios, Alvio
Beatty, Douglas Charles
Bejar, Martha Helena
Bhatnagar, Atul
Biard, James Anthony
Bifield, Allan
Bischoff, Dr., Manfred
Biston, Alain Mathieu Pierre
Blanchard, James Johnston
Boggs, David Wood
Bolouri, Chahram
Borowiecki, Thomas Julian
Brown, Robert Ellis
Browne, Peter Eldon
Buffett, David Alan
Byrd, Richard Andrew
Callaghan, Barbara Rose
Carbone, Peter John
Casamitjana-Cucurella, Jordi
Cervantes, Victor
Champagne, Jean
Chan, Hung Cheong (Sidney)
Chronowic, Peter
Cleghorn, John Edward
Clement, Michel
Clemons, Stephen Wayne
Collins, Malcolm Kevin
Connor, Daniel
Cooper, Helen Louise
Cote, Dennis Jonhn Gerard
Cozyn, Martin Albert
Cross, Mary Mcgehee
Cuesta, George Julio
Dadyburjor, Khush Sam
Davies, Gordon Allan
Debon, Pascal
Decardenas, Alfredo Tomas
Deroma, Nicholas John
Di Giuseppe, Pierfrancesco
Dodd, Randy Kevin
Donoghue, Adrian Joseph
Donovan, William John
Doolittle, John Marshall
Dubois, Claude

Dunn, Frank Andrew
Edwards, Darryl Alexander
Elliott, Stephen Bennett
Esteridge, Winston Sylvester
Farmer, Cecil Gregory
Ferguson, Robert Lindsey Miller
Fisher, Arthur Walter
Fortier, Louis Yves
Gasnier, Michel Roger
Giamatteo, John Joseph
Gibson, David Fraser
Gigliotti, Thomas Andrew
Gold, Ashley
Gollogly, Michael Jerard
Hamilton, Douglas Alexander
Haydon, John Bradley
Hegemann, Holger
Higginbotham, Ernest Ryan
Hitchcock, Albert Roger
Hoadley, John Philip
Holmes, Robert Devon
Hudson, David Victor
Hudson, Vivian Catharine
Ingram, Robert Alexander
Joannou, Dion Constandino
Johnson, Craig Allan
Jones, Stephen Glenn
Kelly, Peter John Anthony
Kerr, William
Khadbai, Abdul Aziz
King, Elena
Kinney, James Brittain
Krebs, Laurie Ann
Langlois, Michael John
Lanier, Gayle La'verne
Lasalle, William Joseph
Lester, Monica Lynne
Lin, Yuan-Hao
Lloyd, Geoffrey James
Lo, Kai Yuen Edmond
Lockhart, Lewis Karl
Lowe, Richard Stephen
Lowe, Tonya Lee
Mackinnon, Peter David
MacLaren, Peter
Maclean, Roy James
MacLeod, Ross
Mao, Robert Yu Lang
McFadden, Brian William

McFeely, Scott Alexander
McGregor, Douglas James
McMonagle, Angela Marie
Megura, Walter
Michaelides, Douglas Walter
Milan, Norberto
Moore (Pearson), Louise Elizabeth
Morfe Jr., Claudio
Morin, Philippe
Morrison, Blair Fraser
Mumford, Donald Gregory
Murash, Barry
Murashige, David Hilliker
Murphy, Peter Michael
Newcombe, Peter James
Noble, Deborah Jean
O'Flynn, Michael Joseph
Owens, William Arthur
Pagani, Marco
Pahapill, Maryanne Elisabeth
Pangia, Michael Anthony
Pecot, Kenneth Wesley
Pierson, Alexander John Briens
Preston, Tony Keith
Pugh, Gareth Alan David
Pusey, Stephen Charles
Quinn, Gordon William
Rea, Jeffrey Leonard
Rhodes, Patrick Alan
Richardson, Clent
Safarikas, Al
Saffell Jr., Charles Raymond
Saucier, Guylaine
Schilling, Steven Leo
Shakespeare, Barry Keith
Sicotte, Luc Paul
Slattery, Stephen Francis
Sledge, Karen Elizabeth
Smith, Sherry Lee
Smith Jr., Sherwood Hubbard
Southern, Barry John
Spradley, Susan Louise
Sproule, Donald Ernest
Stark, Ryan Michael
Stevens, Mark William
Stevenson, Katherine Berghuis
Stoddard, Alan Grant
Stout, Allen Keith
Swanson, Roxann Lee

Tariq, Masood Ahmad
Taylor, Kenneth Robert Wesley
Taylor, Kevin
Tsui, Stephen
Valia, Ashoka
Vazquez Oria, Pablo Abel
Washburn, Robert Peter
Watkins, Timothy Ian
Wheatley, Randolph Osorio
Whitehurst, Jay Floyd
Whitton, Mark James Christopher
Williams, Timothy Louis
Wilson, Lynton Ronald
Wood, Robert Graham
Wood, Steven Victor
Wu, Jang-Shang (Jackson)