

IN THE MATTER OF THE INSOLVENCY ACT 1986

Application Notice

*Delete as applicable

*Name of company NORTEL GMBH

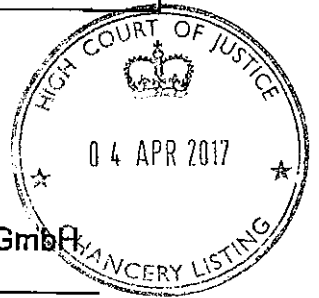
Company number

In the HIGH COURT OF JUSTICE, CHANCERY DIVISION, COMPANIES COURT

<i>For court use only</i> Court case number: 542 of 2009

*Delete as applicable

*Type of insolvency proceeding: Administration



Between Applicant

The Joint Administrators of Nortel GmbH

and Respondent

Is this application in insolvency proceedings which are already before the court?:

YES

If YES, please provide-

Court reference number for the pending proceedings to which this application relates

542 of 2009

(a) Insert name and address of applicant

We, Alan Robert Bloom, Alan Michael Hudson, Stephen John Harris, Christopher John Wilkinson Hill and David Martin Hughes of Ernst & Young LLP, 1 More London Place, London, SE1 2AF (the Joint Administrators) in our capacity as the Joint Administrators of the Company.

For Office use

Intend to apply to the Judge on:-

Date 6 June 2017

Time TBC hours

Place

(b) State clearly what order you are seeking. Briefly set out why you are seeking the order and what evidence you rely on in support of this application

For an order that (b)

Provides the relief set out in the draft order annexed to this Application Notice, or for such other relief as the Court sees fit.

(c) State the names and addresses of the persons intended to be served

It is not intended to serve any person with this application.

Date 04/04/2017

Signed: HERBERT SMITH FREEHILLS LLP

SOLICITOR FOR THE APPLICANT

If you do not attend, the court may make such order as it thinks just.

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT**

The Honourable Mr Justice Snowden

Date: []

IN THE MATTER OF NORTEL GMBH (IN ADMINISTRATION)

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

Draft ORDER

UPON THE APPLICATION of Alan Robert Bloom, Alan Michael Hudson, Stephen John Harris and Christopher John Wilkinson Hill of Ernst & Young LLP, the joint administrators of Nortel GmbH (in administration) (the "**Company**") (the "**Joint Administrators**")

AND UPON HEARING William Trower QC and Alexander Riddiford for the Joint Administrators

AND UPON READING the seventeenth witness statement of Alan Robert Bloom dated [] and the exhibits thereto ("**Bloom 17**")

IT IS ORDERED THAT:

A. Explanatory Letter

- (1) On or before 13 June 2017 the Joint Administrators:
 - (a) send a letter in the form provided for in Annex I to this Order (the "**Explanatory Letter**") and a copy of the demand form provided for in Annex II to this Order (the "**Demand Form**") to all persons known by the Joint Administrators to have or assert (or to be likely to assert) an Expense Claim (as defined in the Demand Form), save for those creditors whose claims are included in the draft List of Accepted Expense Claims (as defined in paragraph (2) below) which is set out in Schedule IV to Bloom 17; and
 - (b) do advertise in the publications identified in Section C(a)(ii) of Bloom 17 (or in each case, if circumstances so require, an equivalent publication) a notice in the form provided for in Annex III to this Order.

B. Expense Claim Bar Date

- (2) The Joint Administrators shall apply the Company's assets in discharge of any Expense Claim which may be accepted by them in the ordinary course of the administration and is included on the list of accepted Expense Claims (the "**List of Accepted Expense Claims**"), a draft of which is set out in Schedule IV to Bloom 17. The List of Accepted Expense Claims is to be uploaded on to the website www.emeanortel.com and updated from time to time as required.
- (3) The Joint Administrators shall apply the Company's assets in discharge of any Expense Claim if and to the extent that:
- (a) a completed Demand Form has been received by the Joint Administrators prior to the date which is the later of (i) 13 September 2017 and (ii) 12 weeks after the date of receipt by the Joint Administrators of the monies to which the Company is entitled under the terms of the global settlement which was sanctioned by this Court on 3 November 2016 (the "**Global Settlement**") (the "**Bar Date**"); and
- (b) it has been determined that the Expense Claim is to be admitted as such, either in the amount claimed or in such other amount as may be determined.
- (4) In the event that a claimant makes an Expense Claim in accordance with paragraph (3)(a) above and the Joint Administrators reject that claim or determine it in some other amount, the Joint Administrators: (a) shall take such steps as they consider appropriate to agree the existence (or otherwise) and the amount of the Expense Claim with the claimant and (b) in the absence of agreement shall make an application to Court for directions pursuant to paragraph 63 of Schedule B1 of the Insolvency Act 1986 (the "**1986 Act**") ("**Schedule B1**") as to whether they should make a payment in respect of that Expense Claim, and if so in what amount.

C. Late Expense Claims

- (5) Without prejudice to paragraph (7) below, if:
- (a) A completed Demand Form in respect of an asserted Expense Claim is received by the Joint Administrators on or after the Bar Date (each a "**Late Expense Claim**"); and
- (b) It has been determined, subject to the provision set out at paragraph (6) below, that the Late Expense Claim is to be admitted as such either in the amount claimed or in such other amount as may be determined,

then the Joint Administrators shall pay that Late Expense Claim (to the extent that it has been admitted) pari passu with any outstanding Expense Claim (subject to paragraph 7(b) below), provided that the payment in respect of that Late Expense Claim would be made only out of those funds of the Company which (as at the time of the payment) had not yet been applied or distributed or reserved pursuant to paragraphs (2), (3), (7)(a), or this paragraph (5).

- (6) If a claimant makes a Late Expense Claim in accordance with paragraph (5) above and the Joint Administrators reject that claim or determine it in some other amount, the Joint Administrators (a) shall take such steps as they consider appropriate to agree the existence (or otherwise) and amount of the Late Expense Claim with the claimant and (b) in the absence of agreement shall make an application to Court for directions pursuant to paragraph 63 of Schedule B1 as to whether they should be permitted to make a payment in respect of that Late Expense Claim, and if so in what amount.

D. Distribution and Reserve

- (7) The Joint Administrators:
- (a) shall be at liberty to treat the balance of the Company's assets following their application in accordance with paragraphs (2), (3) and (5) above, and making such reserve as may be required to ensure payment in full of any (including any disputed) Expense Claim of which they are aware and any future Expense Claim which they foresee at that time, as being available to be paid over to the supervisor or supervisors of any company voluntary arrangement which may be approved in respect of the Company pursuant to the relevant provisions of Part I of the 1986 Act; and
- (b) if they receive a Demand Form in respect of a Late Expense Claim after one or more distribution has already been made under paragraph (7)(a) above and it is determined that it is to be admitted, shall pay that Late Expense Claim *pari passu* with any other Late Expense Claim then outstanding which has not been reserved for, if and to the extent that there are funds available to do so, and provided that the payment in respect of that Late Expense Claim would be made only out of those funds of the Company which (as at the time of the payment) had not yet been applied or distributed or reserved pursuant to paragraphs (2), (3), (5) or (7)(a) above.

E. Costs

- (8) The costs of and incidental to this application be paid as an expense of the Company's administration.

Service of the order

The court has sent sealed copies of this order to:

Herbert Smith Freehills LLP of Exchange House, Primrose Street, London EC2A 2EG.

ANNEX I – EXPLANATORY LETTER

[EY letter headed paper]

[•] 2017

Dear Sir / Madam

Re Nortel [•] ("the Company")

This letter requires you to take action if you consider that you have a claim for the payment of a debt or liability as an expense in the administration in the manner provided for under English law, including pursuant to any of paragraph 99 of Schedule B1 of the Insolvency Act 1986 or Rules 3.50 or 3.51 of the Insolvency (England & Wales) Rules 2016 (an "Expense Claim"), where such claim has not been agreed by the Administrators.

Nothing in this letter affects your pre-appointment claims (including as an unsecured creditor). This letter only relates to creditors who believe they have an Expense Claim. For all other claims, including unsecured claims, please contact the Joint Administrators. To the extent you have already lodged a proof of debt, that claim will not be impacted by the matters referred to in this letter

We are writing to you in our capacity as Joint Administrators of the Company.

We refer to the notice published on the website www.emeanortel.com on [•] (the "Notice").

In the Notice, the Joint Administrators informed creditors that an application would be heard by Mr Justice Snowden in the High Court on 6 June 2017.

As referred to in the Notice, the Joint Administrators made an application for directions in relation to the proper distribution of the assets of the Company.

On [•] 2017 Mr Justice Snowden gave directions which, in summary, enable the Joint Administrators:

(a) to pay:

- i. those Expense Claims which are accepted by the Joint Administrators in the ordinary course of the administration and are included on a list of accepted Expense Claims (the "**List of Accepted Expense Claims**"), which has now been uploaded on to the website www.emeanortel.com (and which is to be updated from time to time as required). A draft of the List of Accepted Expense Claims was set out in Schedule IV to Mr Alan Robert Bloom's seventeenth witness statement;
- ii. any Expense Claim in respect of which a Demand Form is received by the Joint Administrators prior to the Bar Date (the Bar Date being whichever date is the later of (i) 13 September 2017 and (ii) 12 weeks after the date of receipt by the Joint Administrators of the monies to which the Company is entitled under the terms of the global settlement which was sanctioned by the Court on 3 November 2016 (the "**Global Settlement**")), if and to the extent to that such Expense Claim is admitted by the Joint Administrators to be payable as an expense of the administration; and
- iii. any Expense Claim in respect of which a Demand Form is received by the Joint Administrators on or after the Bar Date (a "**Late Expense Claim**"), if and to the extent that such Late Expense Claim is admitted by the Joint Administrators to be payable as an expense of the administration, but without disturbing: (i) any distributions that have already been made (either to unsecured creditors or in respect of other Expense Claims); or (ii) any reserve already made in respect of any other (including any disputed) Expense Claim; and

(b) to treat the balance of the assets of the Company, subject to such payments and/or reserve that they may have already made (see sub-paragraph (a) above), as thereafter being funds available for distribution to unsecured creditors.

If you consider you have an Expense Claim and it has not been included on the List of Accepted Expense Claims, you should send the Joint Administrators a completed Demand Form (enclosed), stating on what basis and in what amount you make that claim. Any Demand Form should be submitted as soon as possible and in any event it must be received by the Joint Administrators prior to the Bar Date, in default of which the Expense Claim shall be treated as a Late Expense Claim.

Please note that it is possible that any such Late Expense Claim will not be paid, subject to the Joint Administrators' qualified liberty to pay Late Expense Claims.

Yours faithfully

[•]

Joint Administrator

Enclosure

ANNEX II – EXPENSE DEMAND FORM

DEMAND FORM

Nortel [•] (in administration) (the "Company")

This Demand Form is for Expense Claims only.

Expense Claims are a specific category of claims arising under English Law. "**Expense Claim**" means any claim that ranks as an expense of the administration in the manner provided for under English law, including but not limited to:

- (a) paragraph 99 of Schedule B1 to the Insolvency Act 1986; and
- (b) Rules 3.50 and 3.51(2) of the Insolvency (England and Wales) Rules 2016.

Expense Claims may include, for example, any fees, costs, charges and other expenses incurred after 14 January 2009 and during the course of the administration. Expense Claims are payable out of the assets of the company before any payments to preferential creditors, unsecured creditors or members. A person asserting an Expense Claim is an "**Expense Creditor**".

You should seek independent legal advice if you are unclear on whether your claim is an Expense Claim.

As set out in the order of the English Court dated [•] 2017, if you consider that you have an Expense Claim against the Company, you must complete, sign and return this form to the Administrators so that it is received on or before [DATE] 2017. If your Demand Form is received after this date, it is possible that your Expense Claim will not be paid.

For all other claims, including unsecured claims which are dealt with under the terms of the Company's CVA, please complete the Claim Form provided by the Supervisors. Further information on the CVA (including a copy of the Claim Form) is available at <https://cva.emeanortel.com>.

Details of Expense Creditor	
Name of Expense Creditor <i>(please give full legal name and company number if applicable)</i>	
Contact name <i>(if different from above)</i>	
Address of Expense Creditor <i>(if the Expense Creditor is a company, this should be the registered address)</i>	
City	Country
Telephone	
Email address	
Expense Claim	
Currency	Amount of Expense Claim <i>(please also state the amount of any tax or interest which is applicable)</i>
Details of Expense Claim <i>(please use a continuation sheet if necessary and attach any supporting documentation)</i>	
Details of why your claim is an Expense Claim, rather than some other category of claim (such as a provable debt) under English law	

I confirm that the information I have given in this Demand Form is true to the best of my knowledge and belief.

Signature

Date

Name in BLOCK LETTERS

Position with or relation to Expense Creditor

Address of person signing *(if different from above)*

Please return this signed Demand Form to the Administrators by email to claims@emea.nortel.com or by post to the below address, in each case so that it is received on or before [●] 2017.

The Administrators of Nortel [●] (in administration)
Nortel Networks

PO Box 4725
Maidenhead
SL60 1HN
United Kingdom

If you wish to deliver this Demand Form by hand please contact the Administrators by phone or email for separate address details.

For an Expense Claim to be valid, this Demand Form must be signed by the person asserting the Expense Claim or by a person authorised to act on his behalf.

Supporting documentation does not need to be provided with this form but the Administrators may require you in future to provide any information necessary to substantiate your Expense Claim.

It is possible that you will not receive a payment for an Expense Claim if your Demand Form is received by the Administrators after [•] 2017.

For questions relating to completion of this Demand Form, you may call +44 (0)20 7951 6160 or send an email to claims@emeanortel.com.

ANNEX III – FORM OF PROPOSED ADVERTISEMENT

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

NO. [●] OF 2009

IN THE MATTER OF:

NORTEL [●] (IN ADMINISTRATION)

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

NOTICE OF EXPENSE CLAIM BAR DATE PURSUANT TO ORDER DATED [●] 2017

TO: ALL EXPENSE CREDITORS

[DATE]

Notice is hereby given by Alan Robert Bloom, Stephen John Harris, Alan Michael Hudson and Christopher John Wilkinson Hill of Ernst & Young LLP (the "**Joint Administrators**") of an order of Mr Justice Snowden dated [●] 2017, the effect of which is that persons considering that they have a claim for the payment of a debt or liability as an expense in the administration (an "**Expense Claim**") which has not been agreed by the Joint Administrators, such persons should send the Joint Administrators a completed Demand Form. Certain Expense Claim creditors are not required to file a Demand Form. The list of those creditors who are not affected by the terms of the order is provided on www.emeanortel.com.

For further information, contact details and Demand Forms, please visit www.emeanortel.com.

Any Demand Form should be submitted to the Joint Administrators as soon as possible and in any event it must be received by the Joint Administrators prior to [●] 2017, in default of which the Expense Claim shall be treated as a Late Expense Claim. Please note that it is possible that any such Late Expense Claim will not be paid, subject to the Joint Administrators' qualified liberty to pay Late Expense Claims.

Demand Forms should be submitted, together with relevant supporting documents to The Administrators of Nortel [●] (in administration), Nortel Networks, PO Box 4726, Maidenhead, SL60 1HN, United Kingdom. Alternatively, you can email a completed Demand Form to claims@emeanortel.com.