Applicant
Stephen John Harris
Twenty-Fourth Statement
Exhibit "SJH24"
7 November 2025

IN THE HIGH COURT OF JUSTICE
THE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF:

NORTEL NETWORKS UK LIMITED **No. 536 of 2009 / CR-2016-006154**

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

TWENTY-FOURTH

WITNESS STATEMENT OF STEPHEN JOHN HARRIS

I, **STEPHEN JOHN HARRIS** of Ernst & Young LLP, 1 More London Place, London SE1 2AF, **DO STATE** as follows:

1. I am a licensed insolvency practitioner and a non-equity Partner in the firm of Ernst & Young LLP ("**E&Y**").

2. I was appointed as a joint administrator of Nortel Networks UK Limited (the "**Company**") on 14 January 2009 together with Alan Robert Bloom, Alan Michael Hudson and Christopher John Wilkinson Hill, all of E&Y, pursuant to an Order of Mr Justice Blackburne. A copy of the Order of Mr Justice Blackburne is at **[2/8]** of SJH24.

3. The Joint Administrators' (as defined in paragraph 5 below) term of office and the administration of the Company (the "**Administration**") was extended by Order of Registrar Derrett on 12 January 2010 and 6 December 2011, by Order of Registrar Baister on 1 November 2013, by Order of Mr Justice Snowden (as he then was) on 2 December 2015, 14 December 2017, 17 December 2018, 17 December 2019, and 30 November 2020 and by Order of ICC Judge Prentis on 15 November 2022 (included at **[7/132]**, **[10/170]**, **[12/314]**, **[23/640]**, **[38/1172]**, **[49/1324]**, **[56/1408]**, **[67/1553]** and **[71/1575]** of SJH24 respectively). The Joint Administrators' term of office is currently due to expire at 12:01 pm on 13 January 2026.

4. Mr Hill ceased to practice as an insolvency practitioner and resigned as a joint administrator on 20 September 2017. In like manner, Mr Bloom ceased to practice as an insolvency practitioner and resigned as a joint administrator on 30 June 2023. Copies of the notices of resignation of Messrs Hill and Bloom (the "**Former Administrators**") are at **[35/1138]** and

[74/1596] of SJH24 respectively. In anticipation of Mr Bloom's resignation, the joint administrators applied to Court on 4 May 2023 for the appointment of Mr Simon Jamie Edel of E&Y as an additional administrator under paragraph 103(2) of Schedule B1 to the Insolvency Act 1986 (the "**Insolvency Act**" and "**Schedule B1**" respectively); Mr Edel was appointed as an additional administrator of the Company on 5 May 2023 by order of ICC Judge Barber (**[73/1594]** of SJH24).

5. Where I use the term "**Joint Administrators**" in relation to matters or events:

   5.1 between 13 January 2009 and 20 September 2017, I am referring collectively to Mr Bloom, Mr Hudson, Mr Hill and myself;

   5.2 between 21 September 2017 and 5 May 2023, I am referring collectively to Mr Bloom, Mr Hudson and myself;

   5.3 between 6 May 2023 and 30 June 2023, I am referring collectively to Mr Bloom, Mr Hudson, Mr Edel and myself; and

   5.4 on or after 1 July 2023, I am referring collectively to Mr Edel, Mr Hudson and myself.

6. This witness statement has been prepared over the telephone and by exchange of drafts by email with the assistance of Herbert Smith Freehills Kramer LLP (the Joint Administrators' English law legal advisers) and the Joint Administrators' staff at E&Y. Save where I indicate to the contrary, the facts contained in this witness statement are within my own knowledge and are true. Where the facts stated are not within my own knowledge, I have identified my sources of information and/or belief.

7. Nothing in this witness statement is intended, nor should be taken, as a waiver of privilege in relation to matters dealt with in this witness statement.

8. There is now produced and shown to me an electronic bundle of documents marked "**SJH24**" to which I shall refer in this witness statement. References in this document to exhibits are in the form [**Tab/Page**].

9. All monetary figures in this witness statement have been rounded towards one decimal place and are therefore in most cases approximations. The conversion rate used to convert monetary amounts in foreign currencies into Sterling is, unless otherwise specified, the prevailing rate at the time of the event being discussed.

THE APPLICATION

10. I am duly authorised to make this witness statement on behalf of the Joint Administrators in support of our application (the "**Application**") for an Order in the form set out in the draft order, being that:

    10.1 the Joint Administrators and the Former Administrators be discharged from liability pursuant to paragraph 98 of Schedule B1 with effect from 28 days after the date on

which a notice from the Joint Administrators pursuant to paragraph 84(1) of Schedule B1 (the "**Dissolution Notice**") has been registered by the Registrar of Companies;

10.2 the Joint Administrators' term of office as joint administrators of the Company be extended for a further period of 3 months pursuant to paragraph 76(2)(a) of Schedule B1, so as to expire at 12:01 p.m. on 13 April 2026;

10.3 if the Joint Administrators do not: (i) deliver a notice declaring a final dividend in accordance with rule 14.35 of the Insolvency (England and Wales) Rules 2016 (the "**2016 Rules**" and the "**Final Dividend Declaration Notice**" respectively); and (ii) receive a final refund from His Majesty's Revenue and Customs ("**HMRC**") in respect of the Company's VAT return in respect of the period from 1 October 2025 to 31 December 2025 (which the Joint Administrators intend to submit in early January 2026) (the "**VAT Refund**") on or before 5 p.m. on 16 March 2026, the Joint Administrators shall promptly inform the ICC Judges' clerks of the same and the matter shall be re-listed for hearing within 14 days; and

10.4 the costs of and incidental to the Application be paid as expenses of the Administration.

11. The Joint Administrators consider that if the Court grants relief on these terms, they will be in a position to bring the Administration to a successful conclusion having substantially achieved its purpose. As soon as reasonably practicable after the Court has considered this Application and made an order regarding the Joint Administrators' discharge from liability, the Joint Administrators intend to:

11.1 deliver notice of the intention to declare a final dividend to creditors in accordance with rule 14.29 of the 2016 Rules (a "**NOID**"), which will specify that the last date by which proofs may be delivered will be not less than 21 days from the date of the NOID;[1]

11.2 adjudicate any final proofs of debt received by them (which they are required to do within 14 days of the last date for proving set out in the NOID);[2] and

11.3 deliver the Final Dividend Declaration Notice and distribute the final dividend in the Administration (the "**Final Dividend**").[3] The Final Dividend is discussed in more detail in paragraph 61 and section L below.

12. The Joint Administrators consider that it is preferable not to pay the Final Dividend before the Application is determined, to ensure that they are in a position to address appropriately

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1 Rule 14.32 of the 2016 Rules. If this period spans the holidays in December 2025 and beginning of January 2026, the Joint Administrators intend to give creditors slightly longer than the 21-day minimum required by the 2016 Rules.

2 Rule 14.32(1)(a) of the 2016 Rules.

3 Rule 14.34 of the 2016 Rules requires the Joint Administrators to do so within 2 months of the last date for proving).

any potential final issues raised by the Court or an interested party while the Company remains in funds. Once the Final Dividend has been paid the Company will have no further property which might permit a distribution to its creditors generally. The VAT Refund should be received and paid to the relevant suppliers (which the Joint Administrators anticipate should be in late February or early March 2026; see paragraph 94.5 below) following which the Joint Administrators intend to send the Dissolution Notice to the registrar of companies as required by the Insolvency Act.

13. I understand from the clerks of Essex Court Chambers (who made inquiries with the ICC Judges' Clerks on 4 November 2025) that, in the absence of a request for an urgent hearing and in the ordinary (non-urgent) course, the Application would be listed in May 2026. Owing to:

    13.1 the fact that, absent an extension to their term of office, the Administration is due to expire on 13 January 2026;

    13.2 the intended sequencing of the Final Dividend explained in the paragraph immediately above; and

    13.3 the lead time required for declaring and paying the Final Dividend (both under the 2016 Rules, as set out in paragraph 11, and the large administrative effort involved in distributing the Final Dividend to over 1,000 unsecured creditors);

    13.4 the anticipated timing of the VAT Refund (which the Joint Administrators expect to receive in late February or early March of 2026); and

    13.5 to allow a buffer of additional time for any unforeseen circumstances,

    the Joint Administrators have also applied for a short extension to their term of office. This request is discussed in more detail in section L below.

14. The Joint Administrators consider that if they have not delivered the Final Dividend Declaration Notice and received the VAT Refund on or before 16 March 2026 (whether this is because a creditor has made an application to the court to reverse or vary a decision in respect of a late proof or for another last-minute reason), there would be a risk that they would not be in a position to bring the Administration to an end by delivering a Dissolution Notice before the expiry of their term of office (extended as contemplated in the draft Order) on 13 April 2026. As such, they consider that in these circumstances, the matter should be re-listed for hearing within 14 days to allow the Court to consider whether a further extension to the Joint Administrators' term of office is necessary.

INTRODUCTION AND STRUCTURE OF THIS WITNESS STATEMENT

15. The Administration has been on foot for some sixteen years. This duration reflects its complexity and scale. The insolvency of Nortel Networks Corporation (Canada), the ultimate parent company of the Nortel group, was (and arguably remains) the largest corporate

insolvency in Canadian history. As far as the Joint Administrators are aware, the Administration of the Company (particularly when taken together with the administrations of its subsidiaries, discussed below) remains one of the largest trading administrations of its kind to have been carried out under the Insolvency Act. This Company has, during the Administration, been party to several disputes and applications in insolvency proceedings and has therefore been the subject of a number of judgments in multiple jurisdictions (including a decision of the UK Supreme Court (see paragraph 41.2 below) and an appeal to the French Supreme Court (see paragraph 35)), some of which have raised novel points of insolvency law. The Company's cash balance at the outset of the Administration was £236.9 million and, during the Administration, the Joint Administrators have made recoveries in excess of £1.8 billion (the sources of many of which are discussed below). These amounts were offset against payments and expenses (including trading costs) of £948.3 million.[4] This has enabled them to distribute £1.1 billion to creditors (not yet counting the Final Dividend).

16. This witness statement is divided into the following sections:

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4 A significant proportion of these payments were attributable to the Company's trading activities in the early stage of the Administration (see section B below). The Joint Administrators' fees and disbursements (including legal fees) amounted to £310.9 million. The most recent abstract of receipts and payments in the Administration is in appendix 4 to their latest progress report dated 11 August 2025, which is at **[84/1697]** of SJH24

A. BACKGROUND TO THE NORTEL GROUP INSOLVENCY

17. The Company was part of the Nortel group of companies, a global supplier of networking solutions (i.e. telecommunications, computer networks and software) serving customers in Europe, the Middle East and Africa ("**EMEA**"), Canada, the US, the Caribbean, Latin America and Asia (together the "**Group**"). The Group companies which were incorporated and operating in EMEA collectively constituted the "**Nortel EMEA Group**". A simplified corporate structure chart of the Nortel EMEA Group is at **[1/7]** of SJH24.

18. Nortel Networks Corporation (Canada) was the ultimate parent company of the Group. The Company sat at the top level of companies within the Nortel EMEA Group and the majority of the Nortel EMEA Group was held by the Company's subsidiary and intermediate holding company, the Dutch entity Nortel Networks International Finance & Holding B.V. ("**NNIFH**").

19. In the early 2000s, the Group ran into certain financial difficulties and, subsequently, on 14 January 2009 in a series of coordinated filings:

    19.1 Nortel Networks Corporation (Canada), Nortel Networks Limited (the parent company of the Company, "**NNL**"), and certain Canadian subsidiaries (collectively, the "**Canadian Debtors**") sought protection under the Companies' Creditors Arrangement Act in Canada ("**CCAA**");

    19.2 Nortel Networks Inc. (the primary US operating company) and Nortel Networks Capital Corporation (together with certain of their direct and indirect US subsidiaries, collectively, the "**US Debtors**"), filed voluntary petitions in the US Bankruptcy Court for the District of Delaware pursuant to Chapter 11 of the US Bankruptcy Code;[5] and

    19.3 the Company and 18 other Group companies in the Nortel EMEA Group (together the "**EMEA Debtors**") were placed into English law governed administration. Each such administration is a main insolvency proceeding as defined in Article 3(1) of the Council Regulation (EC) on Insolvency Proceedings 2000 (No 1346/2000) as imported into English law by the European Union Withdrawal Act 2018.

20. Upon its entry into Administration, the Company was the direct or indirect shareholder of all other EMEA Debtors except for Nortel Networks S.A. ("**NNSA**"), Nortel Networks France S.A.S. ("**Nortel France**") and Nortel Networks (Ireland) Limited ("**Nortel Ireland**").

21. The Company was the direct shareholder of:

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5 The Joint Administrators understand that the Chapter 11 proceedings in respect of the US Debtors have since concluded, whereas the CCAA proceedings in respect of certain Canadian Debtors remains ongoing.

21.1 NNIFH, whose primary function was that of an intermediary holding company, and which in turn held the shares in:

i. the remaining 14 of the EMEA Debtors (the "**NNIFH Subsidiaries**"), being Nortel Networks s.r.o. ("**Nortel Czechia**"), Nortel Networks Romania SRL ("**Nortel Romania**"), Nortel Networks Engineering Service Kft ("**Nortel Hungary**"), Nortel Networks AB ("**Nortel Sweden**"), Nortel Networks Oy ("**Nortel Finland**"), Nortel Networks N.V. ("**Nortel Belgium**"), Nortel Networks Portugal S.A. ("**Nortel Portugal**"), Nortel Networks Hispania S.A. ("**Nortel Spain**"), Nortel Networks (Austria) GmbH ("**Nortel Austria**"), Nortel Networks Slovensko s.r.o. ("**Nortel Slovakia**"), Nortel Networks B.V. ("**Nortel Netherlands**"), Nortel GmbH ("**Nortel Germany**"), Nortel Networks Polska Sp. z o. o. ("**Nortel Poland**") and Nortel Networks S.p.A. ("**Nortel Italy**"); and

ii. a further three subsidiaries which did not enter administration in 2009 (and which were therefore not EMEA Debtors): Nortel Networks AG Switzerland ("**Nortel Switzerland**"), Nortel Networks South Africa (Pty) Limited ("**Nortel South Africa**") and Nortel Networks AS ("**Nortel Norway**"). I will refer to these subsidiaries of NNIFH as the "**Non-Filed Indirect Entities**"; and

21.2 four subsidiaries, one branch in Saudi Arabia and one joint venture company, none of which entered administration in 2009 (and were therefore not EMEA Debtors), which I refer to as the "**Non-Filed Direct Entities**".

22. The Company's material recoveries from these subsidiaries are discussed in section E below.

23. The Joint Administrators set out their approach for achieving the statutory purpose of administration for the Company in their statement of proposals dated 25 February 2009 (the "**Statement of Proposals**") which was approved by a meeting of creditors on 11 March 2009. A copy of the Statement of Proposals is at **[3/15]** of SJH24). The Joint Administrators described the Company as the "main company" within the Nortel EMEA Group, serving as a centre of operations for and generating the largest business in that region. The Statement of Proposals further explained that the Company's senior management team responsible for all sales, finance, human resources, legal matters and customer dealings in the EMEA region operated from the Company's offices in Maidenhead. Before the Company's entry into insolvency, in the year ending on 31 December 2007, the EMEA region accounted for circa 25% of the Group's global revenue of US$ 11.0 billion (£6.0 billion).

24. The Joint Administrators' set out in the Statement of Proposals their approach for achieving the statutory purpose of administration for the Company, which was:

24.1 to continue to manage the Company's businesses, affairs and property during the period of the Administration whilst the possibilities for a global restructuring of the Group and/or a global sale of all or part of the Group (together defined as the "**Global Restructuring**") were considered, progressed and given effect to by the Company as appropriate;

24.2 during the process of the Global Restructuring, for the Company to continue trading and paying its suppliers and employees in respect of goods or services supplied to the Company after 14 January 2009 for so long as the Company required such goods or services;

24.3 to monitor the cash and asset position of the Company and the general progress and prospects of the Global Restructuring in order to be satisfied that it may still be possible to rescue the Company as a going concern and/or achieve a sale of all or part of the Company's businesses as part of the Global Restructuring and that it was appropriate that the Company continue to trade rather than cease to trade and/or be placed into liquidation; and

24.4 if the Joint Administrators decided that a Global Restructuring was not in the best interest of creditors or that the cost of continuing to trade was no longer in the best interest of creditors, the Joint Administrators would seek to achieve a better result for creditors of the Company as a whole than would be likely if the Company was wound up, by seeking to realise the best price for the business and/or assets of the Company as was obtainable in the circumstances, and then would take steps to enable the assets of the Company to be distributed to its creditors.

B. INITIAL PERIOD OF TRADING AND SALE PROCESS

Trading enabled by the Interim Funding and Settlement Agreement

25. In line with the Statement of Proposals, the Joint Administrators continued to trade the Company following their appointment. Their immediate priority upon their appointment was the stabilisation of the business of the Company and its subsidiaries while closely monitoring their cashflows and asset positions.

26. The Company (as well as the Group as a whole) operated six principal business lines, being: (1) Enterprise Solutions; (2) Metro Ethernet Networks; the Carrier Networks division, which comprised (3) Global System for Mobile Communications; (4) Carrier VoIP Application Solutions; (5) the Multi Service Switch business; and (6) Code Division Multiple Access. The business and operations of the Group were deeply integrated in a matrix organisation along these business lines, which straddled the legal and geographic entities in the Group. Key functions were coordinated across different entities in order to serve global research and development ("**R&D**"), manufacturing, sales and marketing needs for each category of

products and services offered by the Group. Accordingly, the Company and each of the other EMEA Debtors (save for NNIFH, whose activities were largely confined to those of a holding company), operated several of the business lines within their respective home territories. The trading arrangements among the Nortel EMEA Group (including the Company) meant that these entities were heavily dependent on each other and were unable to trade without the support of each other's (and other Group members') services and the intellectual property licences provided by NNL. To facilitate the integrated Group's operations, many of its members, including the Company, were party to a number of "**Transfer Pricing Arrangements**" predating the Administration which were designed to allow the Group to operate on a global basis and to allocate profits, losses and certain costs (including the costs of R&D activities, which were concentrated in a small number of entities including the Company) on an arm's length basis among the Group companies. Pursuant to two Group Supplier Protocol Agreements ("**GSPAs**") entered into between the Company and certain other Group companies on the date on which the Administration commenced, the Company had agreed with the other parties that they would facilitate the continued operation of the Transfer Pricing Arrangements which, by extension, enabled the deeply integrated Group to continue trading.

27. The Company generated a relatively low level of revenue when compared to the high level of corporate overhead and R&D activity incurred in England. As such, prior to the Administration the Company had traditionally been compensated by other Group companies for the trading losses it incurred (which included the development and use of the intellectual property it created as a result of its R&D activity) under the Transfer Pricing Arrangements. Accordingly, in the early period of the Administration, the Company sustained heavy trading losses (US$37.2 million (£26.2 million) in losses in the first financial quarter of 2009 alone) in the expectation that it would recoup a significant proportion of such losses by operation of the Transfer Pricing Arrangements as protected by the GSPAs and thereby preserve the value of the Nortel business assets so as to maximise value for its creditors. In order to procure certainty that payments under the Transfer Pricing Arrangements would be received, to avoid possible fluctuations in payments and to settle questions as to the quantum of payments owing and the date on which they would be settled, on 9 June 2009 the EMEA Debtors (including the Company), the Canadian Debtors and the US Debtors entered into an Interim Funding and Settlement Agreement (the "**IFSA**"). The terms of the IFSA are described in detail in Mr Bloom's third witness statement dated 19 June 2009 (at **[4/43]** of SJH24, particularly in paragraph 87 **[4/63]**), made in support of an application to Court for an order that the Company (among other EMEA Debtors) be at liberty to enter into the IFSA (which order was subsequently made by Mr Justice Blackburne on 23 June 2009 – see **[5/84]** of SJH24).

28. Crucially, the IFSA enabled the Company to continue to trade, which facilitated the sale process discussed below and resulted in the Company receiving:

28.1 £344.0 million in intra-group trading receipts (including approximately US$96.1 million in respect of transfer pricing entitlements for the year 2009 alone from certain other parties to the IFSA);

28.2 £252.2 million in receipts from trading during the Administration from third parties outside the Group; and

28.3 £66.3 million in recoveries from third parties in respect of receivables predating the Administration. This represented a 98% recovery rate, which the Company could not have achieved, had it not continued to trade.

Global Sales Process

29. By the end of June 2009, it had become clear to the Joint Administrators that, owing to the financial and market pressures facing the business of the Group, a rescue of the Company as a going concern would not be possible and, therefore, a Global Restructuring was no longer in the best interest of creditors. From this time, the Joint Administrators' objective was to seek to achieve a better result for creditors of the Company as a whole than would be likely if the Company was wound up, which the Joint Administrators considered would be best achieved by participating in a coordinated sale of all businesses and residual intellectual property by the wider Group. During the period in which the sale process was ongoing, the Joint Administrators caused the Company to continue trading. The continued trading helped to ensure that the Company's assets were not unduly dissipated, minimised the propensity for damages claims to be brought against the Company and maximised the value of the business for the Company's creditors.

30. The process for the disposal of all core businesses and of the principal assets of the Group was commenced in 2009. This process too was facilitated to a significant extent by the terms of the IFSA, which provided a framework for the necessary cooperation among the parties to the IFSA and largely deferred the issue of the allocation of the sale proceeds between the various selling entities by requiring them to place proceeds from the various sales into escrow bank accounts in New York (the "**Lockbox**").

31. The collaboration for a global sale process of certain Group entities in the Asia Pacific region (the "**APAC Debtors**")[6] was agreed pursuant to the "**Asia Restructuring Agreement**" dated

[6] The APAC Debtors were Nortel Networks (Asia) Limited, Nortel Networks Australia Pty. Limited ("**Nortel Australia**"), Nortel Networks (India) Private Limited ("**Nortel India**"), PT Nortel Networks Indonesia, Nortel Networks Kabushiki Kaisha, Nortel Networks Korea Limited, Nortel Networks Malaysia Sdn. Bhd., Nortel Networks New Zealand Limited, Nortel Networks Singapore Pte Ltd ("**Nortel Singapore**"), Nortel Networks (Thailand) Limited, Nortel Vietnam Limited, Nortel Networks (China) Limited, Nortel Networks Telecommunications Equipment (Shanghai) Co., Ltd and Nortel Technology Excellence Centre Private Limited.

6 November 2009, between the APAC Debtors and the Canadian Debtors, the EMEA Debtors and the US Debtors (**[6/87]** of SJH24). In exchange, the latter creditor group agreed to certain compromises in respect of their intra-Group claims against APAC Debtors, which benefitted third-party creditors of the APAC Debtors. The Company ultimately recovered £18.7 million from its debt claims against APAC Debtors (which includes the sale of the Company's claims against Nortel India and Nortel Singapore to third parties, which concluded in 2019).

32. The global sales process concluded in 2011. The process was complex and involved up to 55 Group companies conveying or relinquishing their existing rights to various business assets in order to effectuate each of the business sales. The great majority of sales (other than sales that involved only the EMEA Debtors) followed a "stalking horse" controlled auction process under section 363 of the United States Bankruptcy Code, whereunder a bidder is selected and contractually committed to purchase the relevant asset (subject to certain conditions), unless a more attractive offer is subsequently made. The Joint Administrators were actively involved in these auction processes and in setting the auction parameters subsequently approved by the US and Canadian Courts. Each business had a different mix of assets and the ownership and entitlement to those assets was a central aspect of the subsequent Allocation Dispute (which I define and discuss in section C below). A summary of the post-insolvency sales is set out in paragraph 47 of Mr Bloom's sixteenth witness statement dated 25 October 2016 ("**Bloom 16**") **[28/975]**. The sales of the business lines and residual intellectual property resulted in total global realisations of US$7.3 billion (£4.7 billion) (net of certain costs) (the "**Sale Proceeds**"). The purchasers of the businesses required ongoing support from the Group, as vendors, to provide transitional services to enable an orderly migration of each business to new ownership. The Company earned £43.3 million pursuant to various transitional services agreements.

33. For completeness, I note that the Company also conducted a small number of business sales and a sale of real estate interests which did not form part of the global sales process. These sales, which concluded between 2010 and 2012 resulted in realisations of £12.8 million in aggregate, which did not form part of the Allocation Dispute discussed below.

Resizing the Workforce

34. When the Company entered administration, it had 1,915 employees.

    34.1 In order to stem the losses of the Company and to reduce the monthly wage costs, 442 employees were made redundant during the early phase of the Administration (397 in the first two years of the Administration and 45 in the subsequent year). This redundancy programme (which included employees of the Company in Northern Ireland) was overseen by the Joint Administrators. The adjudication of some former employees' claims is discussed in more detail in section G below.

34.2 The completion of the sale of the businesses resulted in the transition of 1,180 employees (1,135 in the first two years of the Administration and 45 in the subsequent year), who had been retained by the Joint Administrators during the initial period of the Administration in order to continue to effectively run the businesses and manage the completion of the sales thereof, to the purchasers of the relevant businesses.

34.3 In these initial three years of the Administration, 236 employees resigned of their own accord (235 of these in the first two years).

34.4 The remaining 57 employees were further retained in order to: (i) ensure effective provision of the services required by the transitional services agreements described in paragraph 32 and assist in the efficient winding down of the remaining activities following completion of the various transactions; (ii) assist with the adjudication of third party claims against the Company; and (iii) carry out certain IT, accounting and human resources support functions necessary for the Joint Administrators to carry out their functions both in respect of the Company and EMEA debtors. The estimated costs referable to time spent by these employees working for the benefit of other EMEA Debtors was recharged to the relevant EMEA Debtor. The remaining workforce was regularly reviewed and reduced over the years that followed, as and when the EMEA Debtors' footprint reduced following completion of regulatory, statutory and corporate requirements and the dissolution of the legal entities. Prior to the end of 2014, six employees resigned and a further 30 were made redundant. The final 21 employees were made redundant from 2015 onwards, with the last employee made redundant on 30 September 2023.

35. NNSA was in a similar position to the Company insofar as its *Administrateur Judiciaire* (appointed within NNSA's secondary insolvency proceedings) made 490 employees of NNSA (the "**French Employees**") redundant. In reaction to this redundancy process, the French Employees commenced strike action, which resulted in representatives of the French Employees and the officeholders of NNSA agreeing a first compromise agreement on 7 July 2009 (the "**End of Strike Agreement**"). The Company was not a party to the End of Strike Agreement. Notwithstanding the End of Strike Agreement, approximately 176 of the French Employees (the "**Claimant French Employees**") asserted further claims against (among others), NNSA, the Company, their respective officeholders, and certain of those officeholders' firms including E&Y. In the course of these proceedings, the French Supreme Court, decided in its judgment of 10 January 2017 that the French courts lacked jurisdiction to hear the relevant claims of the Claimant French Employees against the Company (which is incorporated in England). Ultimately, this dispute led to a further settlement, which was agreed in June 2017 between (among others) the Claimant French Employees, NNSA and the Company (the "**Employee Settlement**" a copy of which is at **[31/1070]** of SJH24). The

Employee Settlement, which was approved by the Commercial Court in Versailles on 6 July 2017, contains releases on behalf of the Claimant French Employees of all claims in favour of the Company. The circumstances surrounding the Employee Settlement are discussed in more detail in paragraph 31 of my fifth witness statement dated 29 November 2017 ("**Harris 5**" at **[36/1146]** of SJH24) and in paragraphs 176 to 179 of Bloom 16 (**[28/1007]** of SJH24).

C. ALLOCATION DISPUTE AND GLOBAL SETTLEMENT

36. A dispute in relation to the Sale Proceeds between the EMEA Debtors, the US Debtors and the Canadian Debtors, among other creditor constituencies, was the subject of proceedings before the US and Canadian Courts (the "**Allocation Dispute**"). The Allocation Dispute arose because, although the assets were sold as integrated global businesses, the proceeds were not attributed to individual legal entities at the time of sale. Each of the relevant estates asserted competing claims to the Lockbox receipts, relying on differing legal and economic theories, including legal ownership of the assets, the location of R&D activities, and the contribution of each entity to the creation and exploitation of the assets sold. A summary of the substantive positions in the Allocation Dispute is contained in section H (*Outcome of the Allocation Trial*) of Bloom 16 (**[28/981]** of SJH24). Attempts to settle the Allocation Dispute consensually, including through mediation between 2011 and 2013, were successful in respect of limited aspects of the parties' disagreement (which I discuss in section D (*The Settlement of the US/Canadian Claims*)), but were ultimately not successful in respect of the principal issues at stake. A detailed summary of the various stages of the Allocation Dispute is in section G (*Purchase Price Allocation*) of Bloom 16 (**[28/974]** of SJH24).

37. The APAC Debtors and the "**CALA Debtors**"[7] were not a party to the Allocation Dispute, as I have defined it above. This is because a successful settlement was concluded between the EMEA Debtors, the US Debtors, the Canadian Debtors, the APAC Debtors and the CALA Debtors in relation to the APAC Debtors' and CALA Debtors' allocated share of the Sale Proceeds (amounting to US$44.9 million (£28.6 million)) on 19 June 2012 (the "**Fourth Estate Settlement**" at **[11/173]**). The Fourth Estate Settlement also provided further certainty as to the intra-Group balances owed by the CALA Debtors and the APAC Debtors to the Company (among others) and included mutual releases between the CALA Debtors and the APAC Debtors on the one hand and the EMEA Debtors (among others) on the other.

38. The Allocation Dispute was heard between May and June 2014 simultaneously before the US and Canadian Courts (the "**Allocation Trial**"). Judgments were handed down in the Allocation Trial by Judge Gross in Delaware and Mr Justice Newbould in Ontario respectively on 12 May 2015 (the "**Judgments**"). Copies of the Judgments are provided at **[17/390]** and

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7 The CALA Debtors were Nortel Networks de Argentina S.A., Nortel Networks Chile S.A., Nortel Networks dd Ecuador S.A., Nortel Networks de Guatemala Ltda., Nortel Networks de Mexico, S.A. de C.V, Nortel Networks Peru S.A.C., Nortel Networks del Uruguay S.A., Nortel de Mexico, S. de R.L. de C.V. ("**Nortel Mexico**") and Nortel Trinidad and Tobago Limited.

[18/520] of SJH24. Under the Judgments a "Modified Pro Rata" approach to allocation was found to be the appropriate methodology for splitting the Sale Proceeds, meaning that the allocation of the Sale Proceeds should be *pro rata* to the "Allowed Claims" made against each of the selling entities in the Group. This methodology foresaw an allocation of circa 22.4% of the remaining Sale Proceeds to the EMEA Debtors, 62.9% to the Canadian Debtors and 14.7% to the US Debtors.

39. On 12 October 2016, the various parties to the Allocation Dispute entered into four settlement agreements together comprising the "**Global Settlement**" being:

    39.1 the "**Settlement and Plans Support Agreement**" between (inter alia) the US Debtors, the Canadian Debtors and the Company (**[26/759]** of SJH24);

    39.2 a UK Pension Interests settlement deed between (inter alia) the Company and the UK Pension Interests ("**UKPI**") – being the Trustee of the Company's Pension Scheme (the "**Pension Trustee**") and the Board of the Pension Protection Fund (the "**UKPI Settlement Deed**") – (provided at **[27/904]** of SJH24);

    39.3 the "**Deed of Release**" between (inter alia) the Company and the UK Pension Interests (provided at **[24/642]** of SJH24); and

    39.4 a settlement deed with the main French company in the Group, NNSA, and the EMEA Debtors (the "**NNSA Settlement Deed**" provided at **[25/687]** of SJH24).

40. Mr Justice Snowden made an Order granting the Joint Administrators liberty to perform, and to procure the Company to perform, the Global Settlement on 3 November 2016 (**[30/1066]** SJH24). The judgment given by Mr Justice Snowden is provided at **[29/1046]** of SJH24. Following court approval in the US, Canada, England and France, the Global Settlement became effective on 8 May 2017 and the Sale Proceeds were released. The Company received its allocation agreed as part of the Global Settlement, being US$1.1 billion (£809.9 million), as well as a further US$2.2 million (£1.6 million) from the Sale Proceeds in respect of a contribution towards costs incurred by the Company in the Sale Process.

41. The terms of the agreements which together make up the Global Settlement are summarised in some detail in Bloom 16 (**[28/962]** of SJH24), which was made in support of the application for the order of Mr Justice Snowden referred to in the paragraph above. By way of a high-level overview:

    41.1 The allocation of the Sale Proceeds was principally governed by the Settlement and Plans Support Agreement. Under this document, the parties thereto released all claims against each other and undertook not to commence any additional litigation or file any further claims between the relevant debtor groups, subject to the specific claims which were instead settled in the Pensions Settlement (discussed in paragraph 41.2) and the Intra-EMEA Settlement (discussed in paragraph 41.3). This

included certain potential liabilities (the "**SNMP Claim**") being asserted by way of a contribution claim by the US Debtors against the EMEA Debtors in relation to proceedings that have been brought against, inter alia, the Canadian Debtors and the US Debtors in the Canadian and US Courts.[8] This provided additional certainty to the Company, the other EMEA Debtors and their respective creditors that no further claims and/or litigation would be commenced between the EMEA Debtors and the estates in North America.

41.2 The UKPI Settlement Deed and the Deed of Release governed the so-called "**Pensions Settlement**". Certain EMEA Debtors (excluding the Company), Non-Filed Direct Entities and Non-Filed Indirect Entities had faced the prospect of liability to the Company's pension scheme (the "**NNUK Pension Scheme**") arising out of the exercise by the Pensions Regulator of powers under the 2004 Act to issue Financial Support Directions ("**FSDs**") and Contribution Notices ("**CNs**"). According to the NNUK Pension Scheme's actuary, as at 13 January 2009, the NNUK Pension Scheme had an estimated funding deficit of £2.1 billion. The targeted entities referred the determination to the Upper Tribunal but the proceedings were stayed for a period while negotiations for the Pensions Settlement were ongoing. In the meantime the joint administrators of the targeted EMEA Debtors had sought directions from the Court regarding the ranking of any liability under the FSDs and CNs, which ultimately led to the Supreme Court determining that they ranked as unsecured claims rather than expenses of the relevant administrations. The UKPI, Pensions Regulator and the targeted companies agreed a settlement in respect of the FSDs against each relevant company. The basis of the compromise in the Pensions Settlement relied on certain specific terms being passed in the Company Voluntary Arrangements ("**CVAs**") which were agreed to be subsequently promulgated by each of the EMEA Debtors (other than in respect of the Company, Nortel Romania, Nortel Finland and NNSA, which, as I discuss from paragraph 58 below, made distributions pursuant to a proof process in accordance with the Insolvency Rules 1986 (the "**1986 Rules**") and, subsequently, the 2016 Rules), compromising the interest rate applicable to third party creditors' claims from the statutory rate to the relevant 'commercial rate' in the country in which the relevant targeted company was incorporated. The upshot of these CVA terms was that, as I go on to discuss in paragraph 48 below, many of the affected EMEA Debtors had funds available to pay subordinated debts and equity to the Company. In turn, this

8 These claims were brought against US Debtors and Canadian Debtors by SNMP International, Inc. and SNMP Research, Inc. (together, "**SNMP**"). As I explained in my sixth witness statement dated 21 June 2018 (**[39/1191]** of SJH24), SNMP have not asserted any claims directly against the Company. The Joint Administrators previously sent SNMP's lawyers Expense Demand Dorms (as defined in paragraph 62) but SNMP have asserted no expense claims since then.

enhanced the dividend rate at which the Company was able to make distributions to its own unsecured creditors, chief among them the Pension Trustee, which had asserted an unsecured claim against the Company under section 75 of the Pensions Act 1995 for £2.1 billion. This claim (the "**Section 75 Debt**") was admitted in full on 2 December 2016 and represents approximately 95% of all admitted provable claims against the Company. Finally (and importantly in the context of the Application), the UKPI agreed to release the Joint Administrators from all liability (save in the case of fraud or wilful misconduct).

41.3 The UKPI Settlement Deed and the Deed of Release also governed the so-called "**Intra-EMEA Settlement**". Under the Intra-EMEA Settlement, the parties agreed the quantum of: (i) the EMEA Debtors' (other than NNUK's and NNSA's) share of the Sale Proceeds from the Lockbox (which amounted to US$107.8 million (£87.6 million)); and (ii) the contribution payable by the same EMEA Debtors to the Company in respect of their share of costs relating to the Allocation Dispute and certain other litigation (including in relation to the FSDs) (£17.2 million). The EMEA Debtors (including the Company) and the Non-Filed Entities also agreed to release any claim they had or may have had against one another for restitution, indemnity, contribution or similar remedies which arise from any liability which any EMEA Debtors may have had pursuant to an FSD or CN. Further, it was agreed that the Company would be at liberty to make certain "**Top-Up Payments**" to other EMEA Debtors, in connection with assurances that the joint administrators of these EMEA Debtors had given to their local creditors to discourage them from seeking to open secondary insolvency proceedings in their jurisdictions of incorporation in the interests of facilitating continued trading and the global sales process. The Top-Up Payments were payable as expenses of the Administration and were intended to remedy some of the disadvantage suffered by local creditors due to the continued trading of those EMEA Entities who did not have the stature to weather the continued trading necessary for the global sale process without financial support. Ultimately, the Company made capital contributions totalling £8.4 million to seven NNIFH Subsidiaries – this was well below the agreed limit on Top-Up Payments under the Intra-EMEA Settlement of US$16.0 million (£13.0 million).[9] As at the date of this Application, all EMEA Debtors other than the Company have been dissolved in accordance with the laws of their incorporation.

41.4 The NNSA Settlement Deed, served principally to: (i) determine NNSA's share of the Sale Proceeds from the Lockbox (which amounted to US$220.0 million (£178.8

9 That said, the final *net* costs to the Company of the Top-Up Payments was significantly lower (£3.9 million), as in many cases the Top-Up Payments enabled the recipient EMEA Entities to make additional distributions to the Company. For example, Nortel Poland was able to return its £3.2 million Top Up Payment to the Company in this way prior to the conclusion of its solvent dissolution.

million)); (ii) agree NNSA's contribution, payable to the Company, in respect of NNSA's share of costs relating to the Allocation Dispute (US$38.9 million (£29.9 million)); (iii) settle certain disputes between NNSA and other EMEA Debtors (including the Company) regarding transfer pricing payments due under the IFSA, which resulted in the Company receiving US$16.7 million (£12.8 million); and (iv) the sources from which settlement payment to the French Employees would be made (although the disputes with the French Employees were only settled in the following year, as I noted in paragraph 35). Importantly, for present purposes, NNSA and the other EMEA Debtors (including the Company) also mutually released all outstanding liabilities against one another, including all outstanding true-up payments arising out of transfer pricing settlements (but not books and records claims). NNSA was finally dissolved from the French register in accordance with French law on 25 October 2022.

D. THE SETTLEMENT OF THE US/CANADIAN CLAIMS

42. There were two further significant settlements between the global Nortel estates preceding the Global Settlement. These settlements concern a number of claims that were filed by each of the EMEA Debtors against:

    42.1 NNC and NNL in the CCAA Proceedings in March 2011 (the "**Canadian Claims**"); and

    42.2 NNI in the Chapter 11 proceedings in June 2011 (the "**US Claims**" and together with the Canadian Claims, the "**US/Canadian Claims**").

43. On 8 March 2013, Judge Gross in Delaware and Justice Morawetz in Ontario, ordered that the trial of the US/Canadian Claims (the "**Claims Trial**") should be dealt with separately from (and after) the trial of the Allocation Dispute.

44. In December 2013, the Joint Administrators and the UKPI reached a settlement with the US Debtors with respect to the US Claims. Pursuant to the terms of that settlement, all of the EMEA Debtors' pre-filing claims against the US Debtors were released, in exchange for the US Debtors agreeing to pay US$37.5 million (£30.1 million) to the UKPI and US$37.5 million to the EMEA Debtors (of which the Company received £10.7 million).

45. A Settlement Agreement recording the settlement of the Canadian Claims (as well as certain claims that had been made against, among others, the directors of the Company) was executed on 9 July 2014 (the "**Canadian Settlement**", provided at **[13/317]** of SJH24). For the purposes of this Application, the key terms of the Canadian Settlement were: (i) mutual releases between the EMEA Debtors (including the Company) and the Canadian Debtors in respect of a series of claims they had asserted against each other and certain directors and officers of the Group; (ii) certain of the Canadian Debtors' claims against certain of the EMEA

Debtors were assigned to the Company (on terms that they would be subordinated) instead of being released by the Canadian Debtors (the "**CCAA Subordinated Claims**"); (iii) an up to US$2.3 million (£1.4 million) claim against the Canadian Debtors in favour of Nortel Italy; and (iv) claim of up to US$122.7 million (£71.6 million) against the Canadian Debtors in favour of the Company of which US$25.0 million (£14.6 million) was agreed to be contingent on the settlement of certain litigation against NNL. This contingency was later satisfied by the entry into the Employee Settlements (described in paragraph 35).[10] The obligations under the Canadian Settlement were specifically preserved by the subsequent Global Settlement. Further details regarding the Canadian Settlement are contained in Mr Bloom's tenth witness statement dated 14 July 2014 ("**Bloom 10**", a copy of which is at **[14/348]** of SJH24) in support of an application to Court that the Joint Administrators be at liberty to perform the Canadian Settlement. His Honour Judge Hodge QC made an order on those terms. The relevant order and judgment are at **[15/373]** and **[16/376]** of SJH24]. The Company ultimately received distributions totalling US$55.0 million (£39.9 million) from NNL in 2017 and 2018. Given the uncertainty as to the quantum and timing of any further recoveries in respect of distributions from the Canadian Debtors, the Joint Administrators marketed and sold these claims (along with claims of the Company against other Group entities) to a third-party purchaser for £7.5 million in December 2019 of which £1.4 million was allocated to the Company.

E. RECOVERIES FROM SUBSIDIARIES AND THEIR DISSOLUTION

46. The Joint Administrators were able to secure significant realisations from the Company's direct and indirect subsidiaries. I provide a brief overview of these realisations in this section.

NNIFH

47. NNIFH was placed into a Dutch law governed solvent liquidation on 26 September 2018. It undertook a share capital reduction which saw the Company take receipt of £44.5 million in July 2019, contributing to the Company's ability to pay a significant fourth interim dividend to unsecured creditors in the same month (which I discuss in paragraph 59 below). Following receipt of a series of equity distributions from some of the NNIFH Subsidiaries, the dissolution of the last remaining NNIFH Subsidiaries (see paragraph 48 below) and the receipts from the Indirect Non-Filed Entities discussed (see paragraphs 50 below), NNIFH was formally dissolved and paid a liquidation surplus of £17.4 million to the Company on 21 June 2023. The Joint Administrators are pleased to report that following NNIFH's dissolution, the Dutch tax authorities provided the required final "**NNIFH Tax Confirmation**" (discussed and defined in paragraphs 46 and 47 of my twenty-third witness statement dated 14 November 2022 ("**Harris 23**", **[70/1570]** of SJH24)) on 16 March 2024, such that the Company no longer

[10] See also paragraph 31.7 of my fifth witness statement dated 29 November 2017 (**[36/1147]** of SJH24).

faced any contractual restrictions delaying its ability to distribute its final receipts from NNIFH to the Company's unsecured creditors. This significant milestone assisted the Joint Administrators of the Company in paying the seventh interim distribution to the Company's creditors in February 2025 (which I discuss in paragraph 60 below).

The NNIFH Subsidiaries

48. The Company's indirect shareholdings in the 14 NNIFH Subsidiaries (being those subsidiaries of NNIFH which entered English law governed administration proceedings in January 2009) constituted significant assets of the Company. The Company ultimately (directly and indirectly) recovered £93.4 million from the NNIFH Subsidiaries via the following routes:

    48.1 £71.2 million[11] through repayments of ordinary intra-Group debts predating the Administration, some of which were assigned to the Company by other EMEA Debtors to prevent them from having to delay their final distributions to creditors (including to NNIFH and the Company) and their dissolution until all such intragroup claims had been realised. Other than in the case of Nortel Romania and Nortel Finland (which did not promulgate CVAs), the Company received payment of the majority of these intra-group debts pursuant to CVAs mentioned in paragraph 41.2 above; and

    48.2 £22.2 million through repayments of subordinated CCAA Subordinated Claims (see paragraph 45 above).

49. Additionally, as noted in paragraph 47, the Company received a further £61.9 million from NNIFH itself, £6.4 million of which originated from the equity in certain of the NNIFH Subsidiaries. This amount was offset partly by the £8.4 million of Top-Up Payments (discussed in paragraph 41.3 above). This required the Joint Administrators to coordinate with the officeholders of the relevant entities to terminate their respective CVAs and English administration proceedings and to initiate liquidation and/or dissolution procedures in accordance with their respective local laws of incorporation. While the overwhelming majority of distributions were in the form of cash, NNIFH (and ultimately the Company) also received certain distributions *in specie*. For example, Nortel Netherlands was entitled to potential surpluses from any investments generated each year pursuant to two defined benefit arrangements with Aegon Levensverzekering N.V. (the "**Aegon Asset**"). On the day before its dissolution, Nortel Netherlands (having already received €2.9 million (£2.6 million) under the Aegon Asset in respect of the period between 2012 and 2017) made an in-specie distribution to NNIFH of any potential future recoveries arising on the Aegon Asset, which NNIFH in turn distributed to the Company. The Company subsequently received €0.2 million (£0.2 million) from Aegon relating to surpluses (after indexation and certain other required

11 This figure also includes payments from NNSA and Nortel Ireland

offsetting/costs) in 2021. Given the uncertainty over quantum and timing of any further recoveries, it was concluded that it was in the best interest of creditors to market and sell the Aegon Asset. Following a competitive bidding process, the Joint Administrators sold the Aegon Asset for £0.1m (excluding VAT) to a third party on 8 May 2025. Detailed information regarding the dissolution of NNIFH and the NNIFH Subsidiaries can be found in:

49.1 my eighth witness statement dated 8 August 2018 (**[40/1218]** of SJH24) made in support of an application for the termination of the administrations of NNIFH, Nortel Czechia, Nortel Hungary, Nortel Sweden, Nortel Finland and Nortel Romania and the discharge from liability of their respective administrators;[12]

49.2 my eleventh witness statement dated 15 April 2019 (**[50/1327]** of SJH24) made in support of an application for the termination of the administrations of Nortel Belgium, Nortel Spain and Nortel Portugal and the discharge from liability of their respective administrators;

49.3 my eighteenth witness statement dated 7 April 2020 (**[57/1410]** of SJH24), made in support of an application for the termination of the administration of Nortel Austria, Nortel Slovakia, Nortel Netherlands and Nortel Germany and the discharge from liability of their respective administrators;

49.4 my twentieth witness statement dated 7 August 2020 (**[63/1469]** of SJH24), made in support of the termination of the administration in respect of Nortel Poland and the discharge from liability of its administrators; and

49.5 my twenty-first witness statement dated 13 November 2020 (**[65/1511]** of SJH24), made in support of the termination of the administration in respect of Nortel Italy and the discharge from liability of its administrators.

The Non-Filed Entities

50. The Non-Filed Indirect Entities' (being the subsidiaries of NNIFH which did not enter administration on 14 January 2009) affairs were concluded as follows:

50.1 Nortel Switzerland was placed into a Swiss law governed solvent liquidation in 2018. Nortel Switzerland paid a final dividend to NNIFH, as its sole shareholder, of CHF3.2 million (£2.6 million) and it was subsequently deleted from the Swiss Commercial Register on 24 November 2021.

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12 Mr Justice Snowden granted the relief sought by the applications discussed in this paragraph, in each case terminating the administration proceedings of the relevant NNIFH Subsidiaries upon their entry into local law governed liquidation or dissolution procedures and determining the time when their respective former administrators would be discharged from liability. Copies of the relevant orders dated 24 August 2018 (**[42/1273]** to **[47/1288]** of SJH24), 10 May 2019 (**[51/1370]** to **[53/1374]** of SJH24), 23 April 2020 (**[58/1459]** to **[61/1465]** of SJH24) , 26 August 2020 (**[64/1509]** of SJH24) and 30 November 2020 (**[68/1554]** of SJH24) are enclosed in SJH24.

50.2 Nortel South Africa was placed into a solvent liquidation (members' voluntary winding up in South Africa) on 15 April 2019. A dividend of £0.5 million was paid to NNIFH in September 2019 and a final dividend of c.£4k was paid on 9 July 2020. Having made these distributions, the liquidation concluded and Nortel South Africa was dissolved with effect from 18 September 2020.

50.3 Nortel Norway was placed into a solvent liquidation in March 2019. Following completion of a number of statutory tax filings, a first and final dividend of £0.6 million was received by the Company and Nortel Norway was dissolved on 10 October 2019.

Nortel Australia

51. Nortel Australia has been in Australian law governed liquidation proceedings since 19 October 2012. The Company held c.98.89% of the shares in Nortel Australia. The liquidators of Nortel Australia paid to the Company four interim distributions of AU$11.3 million (£6.2 million) between October 2014 and March 2021 (which formed part of the realisations from the APAC Debtors referred to in paragraph 31).

52. The Liquidators of Nortel Australia are in the process of collecting further intercompany receivables due from other Group entities (of which some are also subject to insolvency proceedings in their respective jurisdictions). At paragraph 33 of Harris 23 (**[70/1567]** of SJH24) I explained to the Court that if delays in making recoveries from Nortel Australia became (or threatened to become) disproportionately long, the Joint Administrators would explore restarting the sales process for the Nortel Australia shares to avoid unduly delaying the end of the Administration.

53. The Joint Administrators have since determined that it was not in the interest of creditors to prolong the Administration (and incur the associated costs) solely to await a potential distribution from Nortel Australia. Following a short marketing process involving multiple bidders, on 21 May 2025 the Joint Administrators sold the Company's shares in Nortel Australia to the highest bidder, Optical NN Holdings, LLC ("**Optical Holdings**"), which is one of the members of the Company's Creditors' Committee (the "**Committee**"), for a cash consideration of £1.5 million.

Saudi Arabia Branch

54. The Joint Administrators appointed a Saudi liquidator to close the Company's branch in Saudi Arabia in 2011. The Joint Administrators have supported the liquidator in the various required approvals of the closure tasks and were advised by the Saudi liquidator that the branch was struck-off the commercial register by the Saudi Ministry of Commerce in

February 2024.[13] A copy of the notice of the finalisation of the liquidation is at **[77/1617]** of SJH24. Following the closure, c.£64k of surplus funds from the Saudi branch were released to the Company.

Nortel Networks (Northern Ireland) Limited ("NNNI")

55. NNNI entered members' voluntary liquidation on 28 April 2010. NNNI's only asset was an intercompany receivable balance of £5.0 million due from the Company. During the liquidation NNNI received £2.4 million in dividends from the Company in aggregate. The Joint Administrators assisted the joint liquidators of NNNI (with the support of their legal advisers and insurers) to conclude matters in respect of certain personal injury claims which had been brought against NNNI and the Company, which I discuss in paragraph 72 below. As NNNI had no funds prior to the receipt of the dividends from the Company, the joint liquidators of NNNI were remunerated by the Company in its capacity as NNNI's sole shareholder. In May 2023 NNNI's joint liquidators paid a £2.2 million shareholder distribution to the Company and the liquidation of NNNI was then successfully concluded on 17 July 2023. NNNI was dissolved on 19 October 2023.

Nortel Networks Optical Components Limited ("NNOCL")

56. NNOCL was an English subsidiary of the Company which was placed into creditors' voluntary liquidation on 29 July 2011 and later dissolved on 10 January 2018. NNOCL was restored by the Registrar of Companies in August 2020 following a Court Order obtained in connection with a personal injury claim brought against NNOCL's insurers and a counterclaim made by the insurers. The Joint Administrators have since received confirmation that the personal injury litigation was being discontinued, and therefore the Registrar of Companies had confirmed that NNOCL would once again be removed from the Register of Companies. However, an objection to the strike off was then raised and thus NNOCL remains an active company at the date of this Witness Statement. The Joint Administrators determined that the shares in NNOCL were not an asset which the Company can realise for value, and they therefore considered that creditors would suffer no prejudice if the shares in NNOCL became *bona vacantia*.

F. MECHANISMS FOR PAYMENT OF CLAIMS AGAINST THE COMPANY

Unsecured Claims

57. In my witness statement in these proceedings dated 4 May 2010 ("**Harris 1**", provided at **[8/135]** of SJH24), I explained that the Joint Administrators could at the time not propose to make distributions to unsecured creditors until there was greater certainty regarding the liabilities of the Company, how those liabilities ranked, and how the Sale Proceeds were to

[13] At paragraph 36 of Harris 23 (at **[70/1568]** of SJH24), I had indicated that I expected the closure of the Saudi branch to be completed in 2023; this process therefore took slightly longer than I had anticipated at the time.

be allocated among the Group. However, it was already clear to the Joint Administrators at the time of Harris 1 that any distribution method would require an assessment of the value of creditors' claims. Harris 1 was therefore made in support of a direction that the Joint Administrators be at liberty to commence an "**Informal Proof Process**", as part of which the Joint Administrators would: (i) seek to agree the claims of creditors; and (ii) confirm to creditors that any claim accepted pursuant to such informal process would subsequently be treated as accepted by them in a proof of debt process. A corresponding order was made by Registrar Nicholls (as he then was) on 18 May 2010 (**[9/164]** of SJH24). The informal claims process subsequently greatly facilitated the application of the "Modified Pro Rata" approach (meaning that the allocation of the Sale Proceeds pro rata to "Allowed Claims") under the Global Settlement to the EMEA Debtors, as was referenced by Mr Justice Newbould at [53] of his judgment of the Ontario court dated 6 July 2015 (at **[19/614]** of SJH24).

58. After the Judgments (discussed in paragraph 38 above) had been handed down and the key step towards the Global Settlement had been achieved, the Joint Administrators applied for permission to make a distribution to the Company's creditors; the corresponding "**Distribution Order**" was made by Mr Justice Snowden on 23 July 2015 (the order and the judgment are provided at **[20/617]** of SJH24 and **[21/622]** of SJH24 respectively). The Joint Administrators commenced the formal proof process pursuant to paragraph 65 of Schedule B1 and Chapter 10 of Part 2 of the 1986 Rules[14] on 30 July 2015 with a deadline for claims in respect of a first dividend of 31 October 2015.

59. The deadline for making the first dividend was subsequently extended by an Order of Mr Justice Snowden of 2 December 2015 (**[22/639]** of SJH24). Following a further Order of Mr Justice Snowden dated 3 November 2016 (**[30/1066]** of SJH24) the Joint Administrators were required to declare the first dividend to creditors by ten weeks after the release of the Sale Proceeds to the Company, being 4 August 2017. On 27 July 2017, the Joint Administrators gave notice to creditors that a dividend to non-preferential creditors of 22.1p in the pound was declared in a first interim distribution. The total amount paid to non-preferential creditors in that initial distribution was £495.1 million (including tax and national insurance ("**NI**")). A copy of the Notice of Declaration of Initial Dividend is provided at **[34/1136]** of SJH24.

60. Between 5 December 2017 and 20 February 2025, the Joint Administrators made a further six interim distributions to non-preferential creditors totalling £597.4 million (including tax and NI), equivalent to 26.37p in the pound. Copies of the notices of declaration of interim dividends of the second, third, fourth, fifth, sixth and seventh interim distributions are provided at **[37/1170]**, **[41/1271]**, **[54/1376], [62/1467], [75/1597]** and **[81/1671]** of SJH24. This seventh interim distribution brings the total cumulative distribution to 48.469p in the

[14] The Joint Administrators are advised (without waiving privilege over such advice) that since 6 April 2017, the 2016 Rules have applied to this distribution process.

pound. In addition, the Joint Administrators have made catch-up distributions between June 2020 to July 2023 totalling £3.8 million, in respect of certain creditors that were unable to be paid during the distributions for various reasons (including bank account closures, clarifications to resolve certain identification and risk concerns, probate matters or returned cheques)

61. As mentioned in paragraph 11 above and discussed in more detail in paragraph 97 below, the Joint Administrators intend to declare the Final Dividend as soon as reasonably practicable after the Court has made an order regarding the Joint Administrators' discharge from liability. The Joint Administrators anticipate, based on current information, that the aggregate quantum of this Final Dividend should be in the range of £1.6 million to £7.8 million, equivalent to between 0.07p and 0.34p in the pound, resulting in an overall recovery for unsecured creditors of between 48.54p and 48.81p in the pound.

Expense Claims

62. Following the Global Settlement, the Joint Administrators made applications for directions from the Court that the Joint Administrators inform potential claimants that any claims which were asserted to rank as administration expenses under English law ("**Expense Claims**") which had not at that point been made must be notified to the Joint Administrators on a prescribed form (the "**Expense Demand Form**") on or before a specified date (the "**Expense Bar Date**") (the "**Expense Application**").

63. On 9 June 2017, Mr Justice Snowden made an order granting the Joint Administrators directions as sought regarding the Expense Claims (the "**Expense Order**"). The Expense Bar Date was set for 27 October 2017. A Copy of the Expense Order made, and the judgment given, by Mr Justice Snowden are provided at **[32/1101]** and **[33/1114]** of SJH24.

64. In accordance with the terms of the Expense Order, the Joint Administrators:

    64.1 sent Explanatory Letters and Expense Demand Forms to all creditors and those persons known to have asserted potential Expense Claims before 27 October 2017. The Joint Administrators received one completed Expense Demand Form before the Expense Bar Date, paying post-filing expenses in relation to Nortel Mexico of MXN$11,405 (£820); and

    64.2 have applied the Company's assets in discharge of any Expense Claim which may be accepted by them since then in the ordinary course of the administration and is included on the list of accepted Expense Claims located on the following website *www.emeanortel.com*.[15]

[15] This list was most recently updated on 25 February 2025 and there have been no new claims since.

65. The Joint Administrators anticipate that any final unpaid administration expenses will be discharged either concurrently with or shortly following the Final Dividend, in accordance with rule 14.38 of the 2016 Rules.

G. ADJUDICATION OF PROOFS

66. As noted in paragraph 41.2, the largest provable unsecured claim in the Administration is the Section 75 Debt, which represents approximately 95% of all provable claims in the Administration and was initially asserted and held by the Pension Trustee. The Section 75 Debt was assigned to Optical Holdings in November 2020. Optical Holdings also joined the Committee. Accordingly, the Pension Trustee and the Pension Protection Fund no longer play an active role in the Administration.

67. The Joint Administrators are pleased to report that they have now adjudicated all proofs for unsecured claims which were submitted to them prior to the making of this Application. Some of these proofs have been discussed in previous witness statements in these proceedings and, save where there have been material developments in relation to them since Harris 23, made in support of the Joint Administrators' most recent application to extend the Administration (**[70/1559]** of SJH24) (the "**2022 Extension Application**"), I do not intend to discuss them again here. Instead, in paragraphs 68 to 78 below, I summarise the adjudication work that the Joint Administrators have completed since Harris 23. This includes the adjudication of:

    67.1 claims made by former employees of the Company in respect of a reciprocal pensions arrangement between the Company and certain other members of the Group, which I previously mentioned in paragraph 30 of my seventeenth witness statement dated 22 November 2019 (**[55/1386]** of SJH24), paragraph 29 of my twenty-second witness statement dated 13 November 2020 ("**Harris 22**", **[66/1538]** of SJH24) and paragraph 27 of Harris 23 (**[70/1565]** of SJH24) and go on to discuss further in paragraphs 68 to 71 below;

    67.2 certain personal injury claims made by former employees of the Company against it and NNNI (previously in paragraph 37 of Harris 23 and in paragraph 55 above and discussed in more detail in paragraph 72 below); and

    67.3 claims of former employees arising out of the redundancy process mentioned in paragraph 34.1 above, which, as I go on to describe in paragraph 73 to 78 below, were recently revalued.

Reciprocal Pension Agreement

68. Prior to the Company entering into Administration, the Company was party to a reciprocal arrangement among certain companies in the Group (the "**Reciprocal Agreement**") pursuant to which employees who transferred from one participating company to another

would continue to benefit from final-salary linkage when calculating their benefits under the pensions plan of their sending employer. In view of the fact that:

68.1 the Company had, prior to the Administration, made a series of representations to employees that they would, under certain circumstances, benefit from enhanced pension benefits in connection with the Reciprocal Agreement;

68.2 the Company had, between 2000 and 2008 regularly requested that the Pension Trustee of the NNUK Pension Scheme augment the pension benefits of qualifying employees and funded the NNUK Pension Scheme accordingly; and

68.3 the Joint Administrators were advised (without waiving privilege in respect of such advice) that, following the NNUK Pension Scheme's entry into an assessment period under the Pensions Act 2004 upon the Company's entry into Administration and during any subsequent winding up of the NNUK Pension Scheme, the Pension Trustee could no longer make the augmentations contemplated by the NNUK Pension Scheme (and that, in any event, it would be inappropriate under the NNUK Pension Scheme's rules for the Joint Administrators to make corresponding contributions to the NNUK Pension Scheme while the Company was in Administration),

certain employees benefitted from provable claims in the Administration, which were calculated as a function of the additional amount by which the Company would have been required to fund the NNUK Pension Scheme in order for it to pay the relevant employee augmented pensions benefits based on the relevant employee's higher final salary earned at an overseas participating Group company.

69. When the Company was placed into Administration, the administrators of the NNUK Pension Scheme ("**Pension Advisors**") created a list of members of the NNUK Pension Scheme who were potential beneficiaries under the Reciprocal Agreement. This initial list encompassed 449 such members. The Pension Advisors were involved in helping to further evaluate this list using data from their records. This evaluation involved dividing the 449 members into categories according to their potential entitlement in connection with the Reciprocal Agreement generally and, in particular, to a provable debt in the Administration. This process resulted in a narrowing down of the initial list to 211 members with potential provable claims in the Administration in connection with the Reciprocal Agreement. In the context of the Informal Proof Process, the Joint Administrators wrote to those of the 211 members for whom the Joint Administrators had contact details in June 2013, to explain their proposed methodology in valuing their claims and again on 7 August 2015 (following the Distribution Order) inviting them to submit a proof of debt based on this methodology. The valuations calculated by the Joint Administrators' actuaries were subsequently amended (due to developments in price inflation and NNUK Pension Scheme investment growth since 14

January 2009) by agreement via correspondence with the relevant members.[16] The Joint Administrators also sent a follow up letter to the 211 members in April 2020 detailing the updates to the calculation and again inviting the individuals to claim if they had not yet done so. As at the date hereof:

69.1 proofs of debt were received from 173 of the 211 members. At the time of Harris 23 (made in support of the 2022 Extension Application at **[70/1559] of SJH24**), 23 of the 173 claims remained to be adjudicated. The Joint Administrators are pleased to report that this has now been done. None of the 173 members have appealed the Joint Administrators' adjudication under rule 14.8 of the 2016 Rules.

69.2 Thirteen of the 211 members, whose claims the Joint Administrators' actuaries valued at zero, had not responded to the Joint Administrators letters. No further action was taken in this regard.

69.3 Twelve of the 211 members who had not previously responded and for whom the Joint Administrators and supporting Nortel staff were unable to obtain current contact details. No further action was taken in this regard.

69.4 A further thirteen of the 211 members (for whom the Joint Administrators held contact details) did not respond to the Joint Administrators' correspondence; the Joint Administrators wrote to them again in September 2025. Two of whom have since submitted a proof of debt and were admitted in whole.

70. As the Joint Administrators approached the conclusion of the Administration, they turned to adjudicating an additional two claims in respect of the Reciprocal Agreement, which had been received from members who, while featuring on the Pension Advisors' initial list of 449 members, were not among the 211 members who the Pension Advisors originally considered had a provable entitlement under the Reciprocal Agreement. On obtaining legal advice regarding the admissibility of these claims (in respect of which privilege is not waived), the Joint Administrators determined that both such claims were valid and provable. The Joint Administrators therefore reopened their review of the categories of the remaining 238 NNUK Pension Scheme members[17] which had initially been thought not to have benefits in connection with the Reciprocal Agreement or whose entitlement did not give rise to a provable claim.

71. This review resulted in the conclusion that 131 of these members had not been invited to prove in the Administration in August 2015 because they had been placed in categories of members which, although on their face were made up of members who were unlikely to have a provable claim, nevertheless could theoretically include some members who had valid

16 (and two cases involving small claims, via application of the hindsight principle.)

17 i.e. the 449 members on the Pension Advisors' initial list, less the 211, noted above in paragraph 69.

claims.[18] The Joint Administrators therefore reevaluated whether the relevant 131 members might have a claim in connection with the Reciprocal Agreement and concluded that, based on the limited information available to them they could not rule out that 55 members who had not previously proved in the Administration might have a provable claim in connection with the Reciprocal Agreement. The Joint Administrators wrote to those 52 members whose contact details they either had or could reasonably obtain between December 2024 and February 2025, inviting them to provide further information about their employment in the Group and, if they wished, to submit a proof of debt. Eight such proofs of debt were received, of which six were admitted in whole or in part (the remaining two being rejected). Neither of these two members have appealed the Joint Administrators' adjudication under rule 14.8 of the 2016 Rules.

Personal Injury Claims

72. As noted in paragraph 55 above, certain former employees of NNNI and the Company had made claims against their former employers arising from personal injuries allegedly sustained before the Company entered into Administration. The Company's insurer under its employer liability insurance policies, which had been in place between (at least) 1984 and the Company's entry into Administration, did not dispute that these claims were covered under the policies and, during the Administration, continuously either litigated or resolved these claims directly with the relevant employees out of court in accordance with the Third Parties (Rights Against Insurers) Act 1930. In view of the fact that the claimant employees whose claims had not yet been resolved were, strictly speaking, contingent creditors of the Company (albeit subject to the contingency of the failure of the relevant insurance company, the prospect of which was *de minimis*), the Joint Administrators wrote to such claimants on 23 March 2023 (and again on 2 October 2025 to new claimants) inviting them to submit a proof of debt in the Administration, albeit noting that such proofs would likely either be rejected or admitted for a nominal amount in view of the insurance coverage available. No such proofs were received and the Joint Administrators understand that these personal injury claims continue to be resolved directly by the Company's insurer.

PILON Claims

73. The majority of employees who had been made redundant during the Administration had provable claims on account of damages for failure to give proper notice of termination under the relevant employment contracts ("**PILON Claims**"). To ensure that employees' claims were calculated using a consistent methodology and due to the relative complexity of the

[18] The two categories containing 131 employees which had been wrongly excluded were: (1) members who began their employment with member of the Group other than Nortel – these 123 members could have a claim if, following their period of employment at the Company, they were *again* transferred by or on behalf of the Company to another participating employer; and (2) members who had already put their defined benefit pensions into payment – these 8 members might have a provable claim if they did not put their pension into payment *immediately* upon transferring to another participating employer.

employees' various claims arising on termination of their employment, the Joint Administrators notified employees of the Joint Administrators' calculation of their claims, inviting them to submit a proof of debt for this amount if they agreed with this calculation in or around August 2015. None of the former employees submitted a proof of debt based on an alternative calculation and the majority of these claims were initially adjudicated by the end of 2015.

74. In December 2024 one former employee contacted the Joint Administrators asserting that the notional tax deduction which the Joint Administrators had made from his PILON Claim pursuant to the *Gourley* principle[19] was excessive. Upon taking legal advice on the manner in which the notional tax deduction to the PILON Claims should be calculated (in respect of which privilege is not waived), the Joint Administrators concluded that, rather than applying the notional tax deduction to the entire amount of the PILON Claims, the more appropriate approach would have been to: (i) only apply the notional tax deduction to such portion of the PILON Claim which fell into the relevant employee's tax-free allowance under section 403 of the Income Tax (Earnings and Pensions) Act 2003 ("**ITEPA**"); and (ii) take into account that such tax free-allowance was reduced by other termination payments (including, for example, redundancy pay) falling under section 401 of ITEPA and received by the affected employees.

75. While the relevant 21-day period for objecting to the Joint Administrators' adjudication of the employees' claims under rule 14.8 of the 2016 Rules had elapsed, the Joint Administrators concluded that the PILON Claims (the valuation of which would, in any event, be an *estimate*) should nevertheless be increased in accordance with rule 14.14 of the 2016 Rules, given the application of the original methodology in the Joint Administrators' initial calculation of the PILON Claims and given that they, being officers of the Court, ought not take advantage of the limitation period under the 2016 Rules in such circumstances. As a result, the claims of 350 employees were revalued, increasing total employee unsecured claims by £1.1 million. The affected employees are expected to receive a catch-up dividend as part of the Final Dividend.

Breach of Contract Claims

76. In the course of reviewing the PILON Claims, the Joint Administrators also noticed that the admitted proofs of debt of 60 former employees contained elements of loss attributable to awards that had been made by the Employment Tribunal that had been labelled "breach of contract". Upon re-inspecting these, the Joint Administrators understood that these awards

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19 The Joint Administrators are advised (without waiving privilege) that, according to the principle deriving from the House of Lords' decision on *British Transport Commission v Gourley* [1956] A.C. 185, a person receiving damages must not be placed in a better or worse position than if the contract had actually been carried out. In the context of the PILON Claims, the principle applies because, by virtue of section 403 of the Income Tax (Earnings and Pensions) Act 2003, the damages received on account of PILON Claims benefit from a tax-free amount and are thus subject to less tax than what the relevant employees would have paid if they had received their contractual pay during their notice period.

for breach of contract were for the most part based on redundancy and notice pay, which were separately accounted for in the relevant employees' proofs of debt. The Joint Administrators therefore concluded that these elements of the relevant employees' claims were likely double counted.

77. The Joint Administrators and their staff understood when adjudicating these claims in the autumn of 2015 that the Employment Tribunal's judgments possibly contained awards for losses which were already accounted for elsewhere in the relevant proofs of debt. However, the Joint Administrators' staff also considered that it was not readily apparent on the face of each of the 60 Employment Tribunal judgments whether this was the case and that separating the relevant losses from each other may have required seeking further legal advice regarding each individual judgment and, potentially, clarifications from the Employment Tribunal. They therefore took the view, mindful of their duty to perform their functions quickly and efficiently, that the costs of doing so were likely disproportionate compared to the distributions that would likely be made in respect of these elements of the proofs, and that this exercise was therefore not in the interests of creditors as a whole.

78. The aggregate value of these duplicate elements in the proofs of debt is £1.1 million, of which (given the distribution rate in the Administration to date) £0.5 million has been distributed. In view of the time and costs involved in making an application under rule 14.11 of the 2016 Rules to reduce the affected proofs, and the time, costs and uncertain outcome of any attempt to recoup overpayments from affected creditors under rule 14.40(4) of the 2016 Rules, the Joint Administrators do not consider this course of action to be in the best interests of creditors as a whole. The Joint Administrators brought this issue to the attention of the Committee who agreed with the Joint Administrators approach after discussing it with them **[82/1673]**, **[83/1678]** and **[85/1704]** of SJH24). The Joint Administrators understand from discussions with the Committee that its members agree that the most prudent course of action at this late stage of the Administration is to bring the Administration to an end as swiftly and efficiently as possible.

H. REPORTING PROGRESS OF THE ADMINISTRATION

79. Following their appointment, the Joint Administrators have informed creditors of the progress of the Administration including by way of six-monthly progress reports for the Company. Since Harris 23, made in support of the 2022 Extension Application ([**70/1559**] of SJH24), the Joint Administrators have prepared progress reports for the Company for the following periods:

    79.1 14 July 2022 to 13 January 2023 dated 10 February 2023 (**[72/1576]** of SJH24);

    79.2 14 January 2023 to 13 July 2023 dated 10 August 2023 (**[76/1598]** of SJH24);

    79.3 14 July 2023 to 13 January 2024 dated 9 February 2024 (**[78/1618]** of SJH24);

79.4 14 January 2024 to 13 July 2024 dated 9 August 2024 (**[79/1637]** of SJH24);

79.5 14 July 2024 to 13 January 2025 dated 12 February 2025 (**[80/1655]** of SJH24); and

79.6 14 January 2025 to 13 July 2025 dated 11 August 2025 (**[84/1688]** of SJH24).

80. The Joint Administrators intend to prepare a progress report for the period from 14 July 2025 to 13 January 2026 (or, if earlier, the approximate date on which the Dissolution Notice is filed). Should the Dissolution Notice be filed materially later than 13 January 2026, the Joint Administrators will also prepare an additional progress report for the period from 14 January 2026 to the date on which the Dissolution Notice is filed. The Joint Administrators intend to submit the final progress report to the Registrar of Companies along with the Dissolution Notice as required by rule 3.61(4) of the 2016 Rules.

I. REMUNERATION

81. No application is made for the fixing of the remuneration of the Joint Administrators.

82. The Joint Administrators consider that, given the complex nature of the Administration, the Committee has been executing an important statutory function in both observing and assisting the Joint Administrators and ensuring accountability in respect of fees and remuneration. The basis for the Joint Administrators' remuneration was fixed by the Committee in a resolution dated 11 March 2009 by reference to the time properly given by them and their staff in attending to matters arising in the Administration in accordance with rule 2.106 of the 1986 Rules.[20] While neither the 1986 Rules nor the 2016 Rules require administrators to obtain separate approval for drawing remuneration, the Joint Administrators noted in their Statement of Proposals that they would "*consult and agree with the committee, from time to time, on the quantum [of remuneration] to be drawn*." As put forward in the Statement of Proposals, the Committee also resolved on 11 March 2009 that the Joint Administrators draw 80% of their remuneration on a monthly basis and that the drawing of the residual 20% would be agreed by subsequent resolution of the Committee.

83. The Joint Administrators have therefore sought the views of the Committee as to the approval of the drawing of their remuneration throughout the Administration. As at the date of this application, the Committee has approved the Joint Administrators':

83.1 estate time costs for the period up to and including 19 September 2025 – in the most recent fee reporting period between 30 September 2023 and 19 September 2025 these costs amounted to £2,629,373.00 together with applicable VAT;

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20 The Joint Administrators are advised (without waiving privilege over such advice) that the 2016 Rules have applied to their remuneration since 6 April 2017, but that the provisions regarding fee estimates (such as in rule 18.4(1)(e) of the 2016 Rules) do not apply to the Administration as it commenced prior to 1 October 2015 per paragraph 21(1) of Schedule 2 (Transitional and savings provisions) to the 2016 Rules.

83.2 category 2 disbursements (i.e., those expenses that are directly referable to the Administration but which are not a payment to an independent third party, for example photocopying and internal storage) up to and including 19 September 2025. In the most recent fee reporting period between 30 September 2023 and 19 September 2025 these costs amounted to £29,821.25 together with applicable VAT.

84. The precise amount of the Final Dividend – which must be notified to unsecured creditors at the time it is paid under rule 14.35 of the 2016 Rules – will depend on the amount which the Joint Administrators incur in remuneration and expenses between 20 September 2025 and the filing of the Dissolution Notice (the "**Forecast Period**"). Given this amount must be fixed before the Final Dividend is declared and paid, the Joint Administrators therefore also sought the Committee's approval in respect of the Joint Administrators' *anticipated*:

84.1 estate time costs properly incurred during the Forecast Period up to £787,900 plus VAT; and

84.2 category 2 disbursements during the Forecast Period up to £15,000 plus VAT.

85. In their email to the Committee dated 24 October 2025 circulating these resolutions (at **[86/1717-1720]** of SJH24), the Joint Administrators noted that the estimates in respect of the Forecast Period had been made on the assumption that the relief sought in this Application would be granted and that they would further review these estimates following the hearing of this Application to ensure they are as reasonable as possible. The Joint Administrators also noted that they would write to the Committee again following the hearing of this Application (and before the Final Dividend is paid) and either:

85.1 confirm that the estimates for the Forecast Period in the resolutions of 24 October 2025 were accurate or that they would be decreased, in which case no further committee resolution would be required and the Joint Administrators would draw the remuneration and category 2 disbursements notified to the Committee at that stage; or

85.2 seek the Committee's approval for an increase to their anticipated expenses and remuneration for the Forecast Period, which they would also draw at that stage.

86. The members of the Committee unanimously approved the 24 October 2025 resolutions (the approvals are at **[86/1722]**, **[87/1727], [88/1740]** and **[89/1747]** of SJH24, received 27 October 2025, 29 October 2025, 30 October 2025 and 3 November 2025, respectively).

J. NOTICE OF THE APPLICATION

87. The current members of the Committee are Kuehne & Nagel Limited, Sanmina – SCI Corporation, Invest Northern Ireland and Optical Holdings, all of which are sophisticated commercial entities. The Committee has been closely involved with the progress of the Administration over time, which has involved numerous previous applications to Court. On

24 October 2025, the Joint Administrators wrote to the Committee to inform them of their intention to make this Application. The Joint Administrators confirm that each of the members of the Committee are supportive of the relief sought by this Application[21] (see the emails accompanying the fee resolutions at **[86/1716]**, **[87/1723], [88/1728]** and **[89/1741]** of SJH24).

88. The Joint Administrators notified creditors of their intention to apply to Court to seek a discharge from liability in section 5 of their progress reports dated 12 February 2025 and 11 August 2025, with the latter also mentioned the prospect of an extension application (**[80/1659]** and **[84/1691]** of SJH24). On 5 November, the Joint Administrators uploaded a further, separate notice regarding their intention to make the Application, addressed to all creditors of the Company, onto the Nortel EMEA Administration proceedings website (http://www.emeanortel.com/proceedings.html). A copy of this notice sent to the Committee and uploaded onto the website is at **[90/1748]** of SJH24. As at the date of this statement no responses have been received to either notice. An update on any responses received by the Joint Administrators will be given to the Court at or before the hearing of the Application.

K. URGENCY

89. Owing to the time required to resolve issues arising out of the PILON Claims and breach of contract claims (discussed in paragraphs 73 to 78 above) the Joint Administrators were not in a position to make this Application at a time that would have allowed for it to be heard on a non-urgent basis before the anticipated expiry of the Administration on 13 January 2026. I understand from the clerks of Essex Court Chambers (who made inquiries with the ICC Judges' Clerks on 4 November 2025) that in the ordinary (non-urgent) course, the Application would likely be listed in May 2026.

90. While it would have been possible for the Joint Administrators to make a standalone application for an extension to the Administration solely for the purpose of allowing sufficient time for a discharge application under paragraph 98(2)(c) of Schedule B1 to be heard in the ordinary course, the Joint Administrators considered that the costs implications of this approach would not have been in the interests of creditors. As noted above, the view of the Committee is that the Administration should at this stage be brought to an end as quickly and efficiently as possible (see paragraph 78 above).

91. Accordingly, this Application is made on an urgent basis to the ICC Judges' Interim Applications List. I understand that counsel representing the Joint Administrators in this Application intends to submit a certificate of urgency pursuant to §21.48(g) of the Chancery Guide for the following reasons:

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21 The Joint Administrators inadvertently stated in their 24 October 2025 email that the extension sought would be until 14 April rather than 13 April 2026. This change was later communicated to the Committee.

91.1 had the Joint Administrators made this Application on a non-urgent basis, it would have likely been heard in May 2026 or later, being after their term of office would have already expired on 13 January 2026. I am advised that ordinarily, applications under paragraph 98 of Schedule B1 are heard before the office-holders' vacation from office, so that (among other things) they are in a position to address appropriately any potential final issues raised by the Court or an interested third party whilst they still remain in office. Should such an application be heard after their term of office has ended, the Joint Administrators would therefore be at an unfair disadvantage and unable to assist the Court or relevant third parties to resolve any such issues; and

91.2 the Joint Administrators did not consider it appropriate to make a separate, standalone application for an extension to their terms of office for the sole purpose of the hearing of this Application under the ordinary, non-urgent timeframe. As discussed in paragraph 78, the Committee considers that the Administration should be brought to an end as efficiently as possible. The Joint Administrators do not consider that a longer-term extension would be in the best interest of creditors and that, instead, the costs of an extension application could reasonably be avoided by making this Application on an urgent basis. Out of abundance of caution, the Joint Administrators seek a short, three-month extension to their term of office, strictly to avoid the need for making an application for an extension should unforeseen issues arise before 13 January 2026 (see section L below).

L. EXTENSION TO THE JOINT ADMINISTRATORS' TERM OF OFFICE

92. As I noted in paragraph 11, the Joint Administrators intend to set in motion the process for declaring the Final Dividend promptly following the determination of this Application. The shortest theoretically possible timeframe to complete all relevant steps to pay the Final Dividend is the 21-day period following the NOID within which creditors are required to submit a proof of debt under rule 14.30(c)(ii) of the 2016 Rules. However, rule 14.32(1)(a) of the 2016 Rules also allows the Joint Administrators up to 14 days from the last date of proving to adjudicate such proofs, and if the Joint Administrators reject a proof in whole or in part, they would generally wait the 21 days in rule 14.8 of the 2016 Rules within which creditors can object to the Joint Administrators' determination of a proof before paying the Final Dividend. The Joint Administrators would also generally allow for 4 additional days to process payments in connection with the Final Dividend. As such, the Joint Administrators consider that a prudent assumption of the time required for the Final Dividend is approximately 60 days.

93. As such, while it is theoretically possible for the Joint Administrators to pay the Final Dividend and file the Dissolution Notice before 13 January 2026, provided the Application is heard and an Order is made before mid-December 2025, the Joint Administrators consider that it is

prudent to apply for a short extension to their term of office in order to have sufficient time to await receipt of the VAT Refund (discussed below), allow some additional time to adjudicate any final proofs of debt and to enable any potential creditor who is dissatisfied with the Joint Administrators' determination of their proof to object to such determination, and address any final unforeseen issues arising in connection with the Final Dividend and the Administration generally. In view of the anticipated timing of the VAT Refund (which the Joint Administrators expect to receive in late February or early March 2026, being approximately two months from filing the corresponding VAT return, which they intend to do in early January 2026), they consider that the prudent approach is to apply for a short, three-month extension at this stage, so as to avoid the need for a further application, should the need for an extension arise later. In the Joint Administrators' experience, in similar circumstances delays can be caused by:

93.1 potential delays in delivering correspondence to over 1,000 creditors in the Administration (particularly where letters are sent around the Christmas period);

93.2 last-minute proofs of debt that, due to their complexity, take additional time to adjudicate;

93.3 the processing of the bank transfers and cheques making up the Final Dividend and the final unpaid administration expenses; and

93.4 delays to receiving the VAT Refund (the corresponding VAT return should be filed in early January 2026 and, in the ordinary course, the Joint Administrators would respect to receive the corresponding VAT Refund within two months of the return, in late February or early March 2026).

94. Between the making of this Application and the filing of the Dissolution Notice, the Joint Administrators will also need to complete the following steps:

94.1 preparing and filing the final progress report on the Administration;

94.2 making arrangements for essential data retention;

94.3 settling any final expenses and agreeing the termination of contracts entered into by the Joint Administrators (such as those relating to advisors);

94.4 finalising the dismantling of the Company's IT systems infrastructure, which has been used to assist the Joint Administrators in their adjudication of claims; and

94.5 recover the VAT Refund due to the Company (discussed in paragraph 10.3 above) and pay such funds to the relevant expense service providers (including the Joint Administrators themselves in respect of the VAT element of their remuneration).

Other than potential delays to recovering the VAT Refund, the Joint Administrators do not consider that any of these tasks will cause unforeseen delays.

95. If the Court grants the extension to the Joint Administrators' term of office (such that the Administration would expire on 13 April 2026), and the Joint Administrators have not issued the Final Dividend Declaration Notice and received the VAT Refund by 16 March 2026, they consider that the matter be re-listed for hearing within 14 days, so as to update the Court about any additional extension to their term of office that may be required.

M. EXITING THE ADMINISTRATION

96. While I had indicated in paragraph 52 of my ninth witness statement (**[48/1303]** of SJH24) that the Joint Administrators hoped to be able to eventually move the Company into liquidation in accordance with paragraph 89 of Schedule B1, I noted in paragraph 43 of Harris 22 that the decision as to the most appropriate route to dissolution had not yet been made and required careful consideration. The Joint Administrators now consider that a dissolution of the Company in accordance with paragraph 84 of Schedule B1 is the most appropriate route.

97. The Joint Administrators consider that, once they have made the Final Dividend which, as discussed in section L) above, they intend to make as soon as reasonably possible after the Court has made an order regarding their discharge from liability, the Company will no longer have any assets which might permit a distribution to its creditors. At that time, the Joint Administrators will send a notice to that effect (i.e. the Dissolution Notice) to the Registrar of Companies, as required by paragraph 84 of Schedule B1 to the Insolvency Act.

98. The Joint Administrators intend to keep their bank account open for a period of six months following the Final Dividend Declaration Notice (which will likely be after the end of the Administration), so as to allow any cheques issued as part of the Final Dividend to be cleared. In accordance with Regulation 3B of the Insolvency Regulation 1994, the Joint Administrators intend to thereafter transfer any amounts in respect of unclaimed cheques to the Insolvency Services Account, from where the Joint Administrators understand creditors can then collect their allocated part of the Final Dividend.

99. Overall, the Joint Administrators wish to record their satisfaction with the outcome of the Administration, which includes a period of difficult, yet ultimately successful trading, participation in the unique and complex international business sales, coordination of the winding up of NNIFH, the 14 NNIFH Subsidiaries (which were also in English Administration processes) and the six Non-Filed Entities, all of which ultimately contributed to the payment of dividends exceeding in aggregate £1.1 billion, equivalent to between 48.55p and 48.81p in the pound (including the estimated Final Dividend discussed in paragraph 61) to unsecured creditors. Such an outcome was very difficult to envisage in 2009. In addition, the Joint Administrators are satisfied that the Allocation Dispute was appropriately resolved by way of settlement, and the Company's tax and accounting positions finalised such that the Joint Administrators will be in a position to file the Dissolution Notice.

100. As set out in the Statement of Proposals and in paragraphs 23 and 29, whilst the Joint Administrators initially sought to achieve the first objective of the purpose of an administration – being the rescue of the Company as a going concern – this was ultimately not possible. Accordingly, the Joint Administrators commenced working towards the second objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration) by working with the wider Group towards a successful sale of the Company and wider Group's business. The Joint Administrators consider that this objective has been substantively achieved such that the Administration can be brought to an end shortly following the Final Dividend.

N. DISCHARGE FROM LIABILITY

101. Paragraph 98 of Schedule B1 to the Insolvency Act provides that the Joint Administrators will only be discharged from their liability in respect of any action as joint administrators with effect from a time specified by the Court. The Joint Administrators respectfully request that this discharge of liability be granted and take effect 28 days after the date on which the Dissolution Notice has been filed. In view of the fact that the Joint Administrators are making this Application (and publicising it in the manner discussed in section J above) in good time before the Dissolution Notice will be filed, this would give any person becoming aware of any facts or matters which might give rise to a claim, and seeking to bring such a claim against the Joint Administrators, sufficient additional time to do so.

102. The Joint Administrators are not aware of any claims made against the Joint Administrators which have not been dealt with during the course of the Administration and none of the Joint Administrators are aware of any facts which would give rise to any such claim.

103. However, as I have illustrated in this Witness Statement, the Administration has required the Joint Administrators to address a number of complex issues and to resolve a number of disagreements with and among stakeholders including:

103.1 a period of trading, which required the Joint Administrators to settle matters relating to the Transfer Pricing Arrangements with other members of the Group under the IFSA (see paragraphs 25 to 28);

103.2 agreeing intra-group debt positions with the APAC Creditors under the Asia Restructuring Agreement (see paragraph 31)

103.3 litigation that had been commenced by the Claimant French Employees against the Company, which was settled with the Claimant French Employees under the Employee Settlement (see paragraph 35);

103.4 the redundancy process in respect of the Company's employees, discussed in paragraph 34.1 and in section G (*Adjudication of Proofs*);

103.5 the Fourth Estate Settlement (see paragraph 37 above);

103.6 the Allocation Dispute and Global Settlement with the UKPI, the US Debtors, the Canadian Debtors and NNSA (see paragraphs 39 to 41 above);

103.7 the US/Canadian Claims and the corresponding settlements (see section D above);

103.8 the coordination of the dissolution of its direct and indirect subsidiaries (discussed in section E (*Recoveries from Subsidiaries*));

103.9 a claim asserted by Kapsch CarrierCom, which I discussed in paragraph 33 of Harris 5, which was settled consensually on 29 January 2018; and

103.10 a claim asserted by Chubb in relation to an alleged power failure on 12 September 2012 arising at the premises of an insured party which I mentioned at paragraph 34 of Harris 5. Chubb's solicitors confirmed by email dated 14 April 2022 that their client was not pursuing this claim.

104. While the Joint Administrators are confident that all issues have been resolved properly and fairly, the Joint Administrators cannot exclude that some stakeholders of the Company may wish to make representations at the hearing of the Application. The Joint Administrators consider that the hearing will constitute an appropriate forum for any such final representations to be heard (be they in regard to matters prior to the insolvency of the Company in 2009 or the conduct of the Administration). For this reason, the Joint Administrators have provided all known stakeholders with ample notice of the Application, as set out in section J above.

105. Throughout the Administration, certain claims have been intimated or asserted against the Joint Administrators by, amongst others, the Trustee and the board of the Pension Protection Fund in respect of the FSD litigation, other EMEA Debtors, the US Debtors and the Canadian Debtors. However, such claims were released pursuant to the terms of the Global Settlement. In particular, Section 8 of the Settlement and Plans Support Agreement (see **[26/799]** of SJH24) provides that all parties release all claims against each other and covenant not to commence any litigation or file any further claims between entities in the Group and others, provided that rights are reserved to enforce settlement and subject to certain intra-EMEA claims being carved out to be dealt with under the terms of the Deed of Release. The Deed of Release, discussed in more detail in paragraphs 41.2 and 41.3 above, governs part of the Pensions Settlement, the settlement with NNSA and the Intra-EMEA Settlement and contain further releases among the UKPI and the EMEA Debtors in Clause 3 (*Full and Final Settlement*). It contains cross references to other documents, including the UKPI Settlement Deed and the NNSA Settlement Deed, which together form the Global Settlement, and which are intended to be read together. During 2016, the Joint Administrators brought an application, supported by Bloom 16, in which the Court was asked for directions on (among other matters) the Settlement and Plan Support Agreement, the Deed of Release and the NNSA Settlement Deed. The Joint Administrators provided the

Court with the full details of the terms of the Settlement and Plans Support Agreement, the Deed of Release and the NNSA Settlement Deed in Bloom 16, in particular paragraphs 118.8 to 118.19, 207, and 210 thereof (at **[28/994]** to **[28/997]**, **[28/1014]** and **[28/1016]** of SJH24).

O. RELIEF SOUGHT

106. For the reasons set out in this statement, the Joint Administrators request that:

106.1 the Joint Administrators' term of office as joint administrators of the Company be extended for a further period of 3 months pursuant to paragraph 76(2)(a) of Schedule B1, so as to expire at 12:01 p.m. on 13 April 2026. This should give the Joint Administrators sufficient time to declare and pay the Final Dividend, which they intend to do as soon as reasonably practicable after the Application has been determined and an order regarding their discharge from liability has been made. If the Joint Administrators have not delivered the Final Dividend Declaration Notice and received the VAT Refund on or before 16 March 2026, the Joint Administrators shall promptly inform the ICC Judges' clerks of the same with a view to the matter being re-listed for hearing within 14 days; and

106.2 they and the Former Administrators be discharged under paragraph 98 of Schedule B1 to the Insolvency Act in respect of any action as joint administrators arising out of the Company's Administration, with such discharge to take effect 28 days after the registration of the Dissolution Notice by the Registrar of Companies. The Joint Administrators are not aware of any existing claims made against any of the Joint Administrators arising out of the conduct of the Company's administration, nor is any Joint Administrator aware of any facts which would give rise to any such claims.

P. FORUM FOR HEARING THE APPLICATION

107. Before his appointment to the Court of Appeal in 2021, Lord Justice Snowden was the assigned judge in the Company's insolvency proceedings. When hearing the 2022 Extension Application, His Lordship asked the Joint Administrators whether it would be necessary for him to hear applications in these proceedings going forward. The Joint Administrators notified His Lordship, in paragraph 13 of their solicitors' letter to His Lordship's clerk dated 9 December 2021 (**[69/1558]** of SJH24), that subject to His Lordship's views on the matter, it was unlikely that His Lordship would need to return to the Chancery Division to preside over a hearing of a subsequent extension application. The Joint Administrators noted in the same letter that the relief sought at that time could be addressed by another judge of the Chancery Division who would be well placed to hear and address the questions with only limited background reading into the Company.

108. I am advised by my solicitors that pursuant to a note of the Chancellor dated March 2015, from 6 April 2015, consideration will be given by a registrar (i.e. an ICC Judge) at an appropriate stage to whether insolvency proceedings should remain in the High Court or be

transferred to the County Court sitting in Central London. The criteria based on which such a decision should be made in paragraph 4 include the complexity of the proceedings and (where it is ascertainable) the amount in issue in the proceedings.

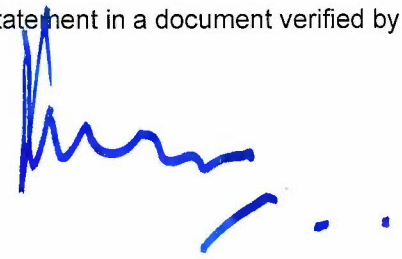
109. The duration of the Company's administration proceedings to date reflects their complexity. The insolvency of Nortel Networks Corporation (Canada) was the largest corporate insolvency in Canadian history and the complexity of the affairs of the EMEA Debtors has been the subject of a number of applications in these proceedings. The Joint Administrators are pleased to report that £1.1 billion has been distributed to unsecured creditors of the Company to date. The Joint Administrators are advised (without waiving privilege) that, in view of the historic size of the Company and the complexity of its affairs (including its outstanding affairs in administration), the present Application should be heard by an ICC Judge of the High Court rather than by the County Court sitting in Central London.

Q. CONCLUSION

110. For the reasons mentioned above, I respectfully request that the Court grants the relief sought by the Application.

STATEMENT OF TRUTH

I believe that the facts stated in this witness statement are true. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.



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STEPHEN JOHN HARRIS

Date: 7 November 2025