

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 (IN ADMINISTRATION) No. 536 of 2009 / CR-2016-006154

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

TWENTY-SEVENTH

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**"). 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. As mentioned in paragraph 4 of Harris 24, since the commencement of this Administration, Messrs Hill and Bloom (the "**Former Administrators**") have resigned from their role as administrators and Simon Jamie Edel was appointed as an additional joint administrator of the Company.
2. This witness statement is made in support of an application dated 7 November 2025 for an order (the "**Application**") in these proceedings and is supplemental to my twenty-fourth witness statement of the same date in support of the Discharge Application (as defined below) ("**Harris 24**"). Unless the context otherwise requires, capitalised terms in this document have the meaning given to them in Harris 24.
3. 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.

4. 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.
5. There is now produced and shown to me an electronic bundle of documents marked "**SJH27**" to which I shall refer in this witness statement. References in this document to exhibits are in the form [**Tab/Page**].
6. I am duly authorised to make this witness statement on behalf of the Joint Administrators in support of the Discharge Application.

APPLICATION AND RELIEF SOUGHT

7. By Order of Deputy ICC Judge Page dated 24 November 2025 (the "**First Interim Order**" at [**2/7**] of SJH26), the Joint Administrators' term of office as joint administrators of the Company was extended for a further period of 5 months, so as to expire at 12:01 p.m. on 13 June 2026. For the avoidance of doubt, the Joint Administrators therefore seek no further order extending their term of office.
8. By the First Interim Order, it was also directed that the Joint Administrators' application for an order under paragraph 98(2)(c) of Schedule B1 to the Act (the "**Discharge Application**") be re-listed for hearing by an ICC Judge on 17 December 2025 (the "**Second Hearing**").
9. By Order of ICC Judge Prentis dated 17 December 2025 (the "**Second Interim Order**" at [**1/3**] of SJH27), it was recorded that the Court saw no bar, in principle, to the granting of the Discharge Application (albeit that it should nonetheless be stood over to a later date, but prior to the Joint Administrators' making of the Final Dividend). Accordingly, by the Second Interim Order, it was directed that the Discharge Application be adjourned and re-listed for hearing by ICC Judge Prentis (if he is available) on 17 March 2026.
10. The purpose of this witness statement is to provide the Court with a short update regarding the progress made in relation to the steps detailed in paragraph 94 of Harris 24 and in preparing for the payment of the Final Dividend.
11. The Joint Administrators now seek an order that:
 - 11.1 pursuant to paragraph 98(2)(c) of Schedule B1 to the Act, the Joint Administrators and the Former Administrators be discharged from liability with effect from 28 days after the date on which a notice from the Joint Administrators pursuant to paragraph 84(1) of Schedule B1 to the Act has been registered by the Registrar of Companies;
 - 11.2 if the Joint Administrators do not deliver a Final Dividend Declaration Notice on or before 5 p.m. on 10 April 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

11.3 the costs of and incidental to the Application be paid as expenses of the Administration. An updated Draft Order to that effect has been filed with this Statement.

NOTICE OF THE DISCHARGE APPLICATION

12. The Joint Administrators notified creditors of the re-listing of the hearing of the Discharge Application in sections 2 and 5 of their progress report dated 4 February 2026 ([4/12] and [4/14] of SJH27). The Joint Administrators also posted a notice to creditors regarding the re-listing of the hearing of the Discharge Application on the EMEA Nortel Website on 19 December 2025 ([2/5] of SJH27). On 25 February 2026, the Joint Administrators informed the Committee and uploaded a further notice on their website regarding the change of the time of the hearing of the Discharge Application ([5/28] and [6/38] of SJH27). A summary of the previous notices of the Joint Administrators' intention to make a Discharge Application are at paragraph 88 of Harris 24 and paragraph 10 of Harris 26.

WITHHOLDING TAX LIABILITY

13. In paragraph 99 of Harris 24, I indicated that the tax position of the Company had been finalised. The Joint Administrators had received confirmation from HMRC on 4 November 2025 that HMRC had no objection to the closure of the Administration and subsequent dissolution of the Company ([1/3] of SJH26).
14. In preparation for the payment of the Final Dividend, it became apparent to the Joint Administrators that the position in relation to a potential withholding obligation arising in respect of distributions made (or set to be made) to a former landlord of the Company, Alecta Pensionsforsakring Omsesidigt ("**Alecta**") had not been resolved. When rent is paid to an overseas landlord, the letting agent or tenants may be required to deduct basic rate tax at 20% (such sum hereafter referred to as "**WHT**") under the Non-Residential Landlord scheme, unless an exemption to receive rent gross is in place. Where a deduction is required, WHT is typically deducted at the time of any interim distributions being declared to creditors and is paid to HMRC.
15. The Joint Administrators treated Alecta as a domestic creditor based on the information available to them at the time they first received a proof of debt submitted on behalf of Alecta by its asset manager, Aberdeen Asset Management. Accordingly, no WHT was deducted from the first five interim distributions between July 2017 and July 2020 (the "**Alecta Distributions**").
16. At or around the time of the sixth interim distribution in July 2023, the Administrators were requested to pay distributions to an overseas bank account, creating concerns as to the potential necessity to deduct WHT on the distributions. Therefore, the Joint Administrators retained in full the sixth and seventh distributions to be paid to Alecta in 2024 and 2025 respectively, pending obtaining clarification from Alecta relating to the WHT position.

17. In the context of preparations for the Final Dividend, it also came to the Joint Administrators' attention that Alecta had closed its United Kingdom establishment in April 2017. Since the NOID was sent by the Joint Administrators on 5 January 2026, the Joint Administrators have made numerous attempts to obtain this information and the last unsuccessful attempt to obtain the information from Alecta was made on or about 5 February 2026.
18. Given the lack of available information and response from Alecta, the Joint Administrators are unable to conclusively determine whether WHT obligations applied (or would apply) in respect of the Alecta Distributions.
19. The Joint Administrators concluded that delaying the payment of the Final Dividend to make further attempts to determine the WHT position with HMRC would have resulted in disproportionate costs to creditors as a whole and that resolving the matter by way of payment of the potential WHT arising from the Alecta Distributions was therefore required. Prior to making the decision to make such payment, the Joint Administrators brought this matter to the attention of Optical Holdings, a member of the Committee which holds approximately 95% of all provable claims in the Administration (see paragraph 66 of Harris 24). Optical Holdings confirmed its agreement with the Joint Administrators' approach.
20. Accordingly, on 3 March 2026, the Joint Administrators wrote to HMRC (the "**HMRC Letter**") to notify HMRC that the Joint Administrators had paid £133,537.38 (the "**WHT Settlement Amount**") in full and final settlement of any tax liability arising of or in connection with the Alecta Distributions. The WHT Settlement Amount includes both basic rate income tax on the full amount of distributions paid to Alecta to date, and late payment interest of £37,354.61 (calculated at the applicable statutory rates). A copy of the HMRC Letter is at [7/40] of SJH27. In the HMRC Letter, the Joint Administrators also notified HMRC about the hearing of the Discharge Application on 17 March 2026 and the anticipated timing of the Final Dividend and reminded HMRC of the Expense Order (discussed in paragraphs 62 to 64 of Harris 24), inviting HMRC to raise any questions or, if needed, submit an Expense Demand Form before the hearing of the Discharge Application.
21. A representative of HMRC's Customer Compliance Resolution Team (the "**HMRC Representative**") responded to the Joint Administrators by email on 6 March 2026 ([8/63] of SJH27). During a call with the Joint Administrators' staff on the same day, the HMRC Representative indicated to them that HMRC understood the need to resolve the matter quickly and that HMRC had no objection to agreeing a settlement of any claim to WHT in respect of the Alecta Distributions in consideration for the WHT Settlement Amount. The HMRC Representative also confirmed that he had discussed the matter with HMRC's insolvency team who also had no objection to the proposed settlement.
22. On 9 March 2026, the Joint Administrators sent HMRC a settlement offer letter in HMRC's standard form ([9/65] of SJH27). As at the date of this statement, the Joint Administrators

are waiting to receive a corresponding acceptance letter from HMRC. Based on the conversation with the HMRC Representative on 6 March 2026, the Joint Administrators anticipate that such acceptance will be received before the scheduled hearing of the Discharge Application on 17 March 2026. The Joint Administrators intend to provide the Court with an update regarding the awaited response from HMRC formally agreeing to the settlement in writing either at or shortly before the hearing.

CORRESPONDENCE WITH THE COMMITTEE

23. Following the Second Hearing, the Joint Administrators updated the Committee regarding the outcome of the hearing and the Second Interim Order.
24. As explained in paragraph 20 of Harris 26, the Committee has unanimously approved the increase to the Joint Administrators remuneration for the Forecast Period, with the estimated figure being £1,034,871.50 (plus VAT). On the assumption that the Discharge Application is successful on 17 March 2026, the Joint Administrators do not anticipate any further review of the amount of remuneration estimated.

FINAL DIVIDEND

25. In paragraph 11 of Harris 24, I set out the steps required to declare and pay the Final Dividend and in paragraph 12 of Harris 24, I explained why the Joint Administrators are awaiting the determination of the Discharge Application before paying the Final Dividend. In paragraphs 14 to 17 of Harris 26, I set out the approximate timing of the Final Dividend on the assumption that the Discharge Application would be determined at the Second Hearing. I set out below the updated anticipated timing of the Final Dividend and the progress made by the Joint Administrators since the Second Hearing in preparation for the payment of the Final Dividend.
26. On 5 January 2026, the Joint Administrators delivered the NOID to creditors in accordance with rule 14.29 of the 2016 Rules. A copy of the NOID was also uploaded to the EMEA Nortel Website. The NOID specified 10 February 2026 as the last day by which creditors are required to deliver a proof of debt. A copy of the NOID is at [3/7] of SJH27.
27. The Joint Administrators received no new proofs of debt since delivering the NOID. As such, given the Joint Administrators made no new adjudications under rule 14.7 of the 2016 Rules, they do not consider it necessary to allow for additional time for potential appeals under rule 14.8 of the 2016 Rules before declaring and paying the Final Dividend.
28. Accordingly, on the assumption that the Court grants an order for the Joint Administrators' discharge on the terms sought, the Joint Administrators intend to deliver the Final Dividend Declaration Notice and distribute the Final Dividend as soon as reasonably practicable following the hearing of this Discharge Application on 17 March 2026 and in any event before 10 April 2026 (being the date by when the Final Dividend must be paid under rule 14.34(1)).

DISSOLUTION

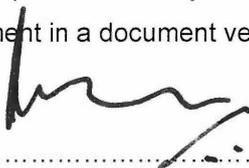
29. The Joint Administrators have also received the VAT Refund on 27 February 2026 which will be distributed as part of the Final Dividend
30. The Joint Administrators have made good progress in respect of the final remaining tasks listed in paragraph 94 of Harris 24 and anticipate that they will be completed shortly following the hearing of the Discharge Application.
31. 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.
32. If the Joint Administrators do not deliver a Final Dividend Declaration Notice on or before 5 p.m. on 10 April 2026, the Joint Administrators seek an order for this matter to be automatically re-listed for hearing within 14 days. As noted above, the Joint Administrators anticipate that they should make the Final Dividend before this date. As such, the order for the potential re-listing of this matter for a further hearing is simply a precaution and to ensure it can be listed quickly and efficiently by the Court, should the need for a further extension to the Administration (or to the time by when the Final Dividend must be paid under rule 14.34(1) of the 2016 Rules) unexpectedly arise.

CONCLUSION

33. For the reasons mentioned above and in Harris 24, I respectfully request that the Court grants the relief sought by the Discharge Application, which is set out in paragraph 11 above.

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: 11 March 2026