

NOTICE OF DECLARATION OF DIVIDEND – 13 December 2019

Nortel Networks S.A. (in Administration, in Liquidation Judiciaire and Subject to a Company Voluntary Arrangement (“CVA”)) (the “Company” or “NNSA”)

NOTICE IS HEREBY GIVEN that a first interim dividend in respect of Allowed Claims (which are not Barred Claims) against the Company, of 59 cents in the euro has been declared in the CVA of the Company.

In accordance with the Joint Supervisors' correspondence dated 6 November 2019, the CVA contained a mechanism commonly known as “hotchpot”, the purpose of which is to create equality between all creditors of the Company, whether they receive payments from the Secondary Proceeding or the NNSA Main Proceeding. In this regard and in light of payments already received by employees from the Secondary Proceedings, employee claims were not eligible to participate in the first interim dividend declared by the Company.

The Joint Supervisors anticipate that a second dividend will be paid to CVA Creditors with Allowed Claims (which are not Barred Claims) during the course of 2020 and will provide an update to creditors in due course.

Unless otherwise defined, capitalised terms used in this notice have the meaning given to them in Annex 1 (*Definitions and Interpretation*) of the CVA Proposal dated 24 August 2018.

For further information please email us at cva@emea.nortel.com or call +44 (0)118 328 2523. Each creditor will also be receiving a letter by email or by post with further details.

The Institute of Chartered Accountants in England and Wales in the UK authorises A R Bloom, S J Harris and S J Taylor to act as Insolvency Practitioners under section 390A(2)(a) of the Insolvency Act 1986 and the Association of Chartered Certified Accountants in the UK authorises A M Hudson to act as an Insolvency Practitioner under section 390A(2)(a) of the Insolvency Act 1986.

The affairs, business and property of Nortel Networks S.A. are being managed by the Joint Administrators, A R Bloom, S J Harris, A M Hudson and S J Taylor who act as agents of Nortel Networks S.A. only and without personal liability.

The Company is also subject to a Company Voluntary Arrangement. The Joint Supervisors are A R Bloom, S J Harris, A M Hudson and S J Taylor who act as agents of the Company and without personal liability.

Nortel Networks S.A. was placed into French liquidation judiciaire on 28 May 2009. The business and assets of the Company that are situated in France are under the control of le liquidateur judiciaire.

We advise that this notice is provided pursuant to our appointment as Joint Supervisors of the Company. It is provided solely for the purpose of informing creditors of certain aspects of the current status of the CVA. As this notice is only an indication of the position of the Company, and not a valuation of the current or future value of any particular item of debt, and is liable to change, it should not be relied upon as an indication of the final return to creditors and, in particular, neither we nor the Company shall have any responsibility to any person who relies on this notice for the purpose of trading in debt of the Company.

The Joint Administrators and Joint Supervisors may act as data controllers of Personal Data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators and Joint Supervisors. Personal Data will be kept secure and Processed only for matters relating to the Joint Administrators' and Joint Supervisors' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.