

DATED 12 October **2016**

- (1) THE EMEA ENTITIES
- (2) THE JOINT ADMINISTRATORS
- (3) THE CONFLICT ADMINISTRATOR
- (4) THE LIQUIDATEUR JUDICIAIRE
- (5) THE LIQUIDATEUR AMIABLE
- (6) NORTEL NETWORKS UK PENSION TRUST LIMITED AS TRUSTEE OF NORTEL NETWORKS UK PENSION PLAN
- (7) THE BOARD OF THE PENSION PROTECTION FUND

UKPI SETTLEMENT DEED

Herbert Smith Freehills LLP



TABLE OF CONTENTS

| Clause | Headings | Page |
|--------|---|------|
| 1. | DEFINITIONS AND INTERPRETATION | 4 |
| 2. | CONDITIONS..... | 7 |
| 3. | THE LIQUIDATEUR JUDICIAIRE AND LIQUIDATEUR AMIABLE..... | 8 |
| 4. | SETTLEMENT OF THE ALLOCATION DISPUTE..... | 9 |
| 5. | FSD SETTLEMENT AND SECONDARY PROCEEDING PROOF OF DEBT | 9 |
| 6. | CVAS | 10 |
| 7. | COSTS..... | 10 |
| 8. | LRE PAYMENT | 11 |
| 9. | NNUK DISTRIBUTION..... | 13 |
| 10. | CURRENCY CONVERSION..... | 13 |
| 11. | EXCLUSION OF LIABILITY | 14 |
| 12. | REPRESENTATIONS AND WARRANTIES..... | 14 |
| 13. | FURTHER ASSURANCE..... | 15 |
| 14. | NOTICES | 15 |
| 15. | NON-RELIANCE | 17 |
| 16. | MISCELLANEOUS..... | 17 |
| 17. | NO SET-OFF | 18 |
| 18. | GOVERNING LAW AND JURISDICTION | 18 |
| | SCHEDULE 1 EMEA ENTITIES..... | 19 |
| | SCHEDULE 2 ALLOCATION PROPORTIONS | 22 |
| | SCHEDULE 3 COMMERCIAL INTEREST RATE..... | 23 |
| | SCHEDULE 4 COSTS ALLOCATION..... | 24 |
| | SCHEDULE 5 SETTLEMENT TOMLIN ORDER..... | 25 |
| | SCHEDULE 6 SIDE LETTER..... | 33 |
| | SIGNATORIES..... | 37 |

THIS DEED is made

12 October

2016

BETWEEN:

- (1) **THE EMEA ENTITIES** listed in Schedule 1 (*EMEA Entities*) (the "**EMEA Entities**");
 - (2) **ALAN ROBERT BLOOM, ALAN MICHAEL HUDSON, STEPHEN JOHN HARRIS AND CHRISTOPHER JOHN WILKINSON HILL** of Ernst & Young LLP, 1 More London Place, London SE1 2AF, appointed to act as joint administrators of each of the EMEA Debtors, other than Nortel Ireland, and **ALAN ROBERT BLOOM AND DAVID MARTIN HUGHES**, appointed to act as joint administrators of Nortel Ireland (all, together, the "**Joint Administrators**");
 - (3) **STEPHEN JONATHAN TAYLOR** of Isonomy Limited, Leawood Hall, Holloway, Derbyshire, DE4 5AQ, appointed to act as conflict administrator of NNSA in relation to the NNSA Main Proceeding (as defined below) (the "**Conflict Administrator**");
 - (4) **MAÎTRE COSME ROGEAU** of SELARL ML Conseils, 26 rue Hoche, Cedex 3533, 78035 Versailles CX, France, appointed as *liquidateur judiciaire* of NNSA in relation to the NNSA Secondary Proceeding (as defined below) (the "**Liquidateur Judiciaire**");
 - (5) **MAÎTRE COSME ROGEAU** of SELARL ML Conseils, 26 rue Hoche, Cedex 3533, 78035 Versailles CX, France, appointed as *liquidateur amiable* of NTF (the "**Liquidateur Amiable**");
 - (6) **NORTEL NETWORKS UK PENSION TRUST LIMITED**, a company registered in England and Wales with registered number 02091890 as trustee of the **NORTEL NETWORKS UK PENSION PLAN** (the "**Trustee**"); and
 - (7) **THE BOARD OF THE PENSION PROTECTION FUND**, a statutory corporation established under the provisions of the Pensions Act, whose principal place of business is Renaissance, 12 Dingwall Road, Croydon, CR0 2NA (the "**PPF**"),
- each of whom is referred to in this Deed as a "**Party**", or together the "**Parties**".

RECITALS

- (A) On 14 January 2009, by order of Mr Justice Blackburne, the Joint Administrators were appointed as administrators of the EMEA Debtors.
- (B) On 28 May 2009, by order of the Tribunal de Commerce de Versailles, the *Liquidateur Judiciaire* was appointed as *liquidateur judiciaire* of the NNSA Secondary Proceeding.
- (C) On 2 June 2015, by order of Registrar Briggs, the Conflict Administrator was appointed as a conflict administrator of the NNSA Main Proceeding.
- (D) Following the global Nortel insolvency filings on 14 January 2009, the US Debtors, the Canadian Debtors, the EMEA Debtors and NNSA disposed of the assets of the Nortel Group in a number of disposals. The Sale Proceeds were placed into a number of escrow accounts with the Escrow Agent. The allocation of the Sale Proceeds has been the subject of litigation which, subject to the terms of the Settlement and Support Agreement, has now been consensually resolved by the US Debtors, the Canadian Debtors and the EMEA Debtors amongst other parties.
- (E) On 25 June 2010, the Determinations Panel of the Pensions Regulator issued a determination notice which provided that FSDs be issued against certain target companies in the Nortel Group including the CVA Targets and the Non-CVA Targets (with respect to Nortel Norway, this is without prejudice to any argument that no such determination was made) and Nortel Russia. On 23 July 2010, the determination notice was referred (the "**References**") to the Upper Tribunal (with reference numbers FS/2010/0016 and FS/2010/0017) by certain companies in the Nortel Group. The References are currently pending before the Upper Tribunal.
- (F) To the best of NNIF's knowledge, Nortel Russia has entered a Russian liquidation procedure under the control of a third party. The Parties do not know the status of this insolvency process, including whether or not Nortel Russia continues to exist as a legal entity as at the date of this Deed.

- (G) This Deed sets out the basis on which the Sale Proceeds allocated to the EMEA Debtors pursuant to the Settlement and Support Agreement will be allocated between themselves, and the manner in which certain other issues, including the References, will be resolved as between the Trustee, the PPF and the EMEA Debtors.

NOW IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Deed and the recitals hereto the following words shall have the following meanings:

"Administration Expense" means any claim which would rank as an expense of the relevant administration under paragraph 99(4) of Schedule B1 of the Insolvency Act, Rule 2.67(1) of the Insolvency Rules or otherwise;

"Allocation Dispute" means the litigation before the Canadian Court and the US Court in which the allocation of the Sale Proceeds is at issue;

"Beddoes Judge" means the judge of the English High Court having jurisdiction to authorise the Trustee to implement the provisions of this Deed;

"Business Day" means any day other than a Saturday or a Sunday on which the banks are open for general business in both London and Paris;

"Canadian Claims Settlement Agreement" means the settlement agreement dated on or around 9 July 2014 and made between the Canadian Parties (as defined therein), the EMEA Parties (as defined therein), the NNSA Main Proceeding, the NNSA Secondary Proceeding, NTF and the *Liquidateur Judiciaire*;

"Canadian Court" shall have the meaning ascribed to it in the Settlement and Support Agreement;

"Canadian Debtors" means Nortel Networks Corporation, Nortel Networks Limited, Nortel Networks Technology Corporation, Nortel Networks International Corporation, Nortel Networks Global Corporation, Nortel Communications Inc., Architel Systems Corporation and Northern Telecom Canada Limited, which have filed for and obtained protection under Canada's Companies' Creditors Arrangement Act, R.S.C. 1986, as amended in the Ontario Superior Court of Justice (Commercial List);

"Commercial Interest CVA" means a CVA containing terms which provide for the payment of interest on admitted claims from 14 January 2009 at the Commercial Interest Rate;

"Commercial Interest Rate" means the rate set out for each relevant entity at Schedule 3 (*Commercial Interest Rate*) per annum from 14 January 2009 until the date on which relevant admitted claims are paid in full;

"Contribution Notice" means a notice issued by the Pensions Regulator under section 47 of the Pensions Act;

"Corporate Parties" means each of the EMEA Entities, the Trustee and the PPF;

"CVA" means a company voluntary arrangement pursuant to Part 1 of the Insolvency Act, in each case, as such provisions may be amended or supplemented from time to time;

"CVA Failure Event" means that a CVA proposed by a CVA Target containing terms which provide for the payment of interest on admitted claims at the Commercial Interest Rate is either (i) not approved by the requisite majority of creditors at the relevant creditors' meeting, including any adjourned meeting (or any such creditor approval is displaced pursuant to section 4A(6) of the Insolvency Act), or (ii) subject to a Successful Challenge;

"CVA Targets" means the entities set out at Part C of Schedule 1 (*EMEA Entities*);

"Deed of Release" means the Deed of Release executed on or around the date of this Deed and made between, inter alia, the EMEA Entities, the EMEA Administrators, the Conflict Administrator, the *Liquidateur Judiciaire* and the UKPI;

"EC Regulation" means the Council Regulation (EC) on Insolvency Proceedings 2000 (No. 1346/2000);

"EMEA (non-NNSA/non-NNUK) Allocation" shall have the meaning ascribed to it in the Settlement and Support Agreement;

"EMEA Debtors" means the entities set out at Part A of Schedule 1 (*EMEA Entities*);

"English Courts" means (as the context requires) the High Court of Justice of England and Wales, the Upper Tribunal (Tax & Chancery Chamber) and any Court hearing an appeal from a decision of those Courts;

"Escrow Agent" means JPMorgan and such other agent as may have control of any of the Sale Proceeds;

"French Courts" means the applicable French court and/or Supervisory Judge (*Juge commissaire*) dealing with applications made on behalf of the NNSA Secondary Proceeding and any Court hearing an appeal from the decision of those Courts;

"French Proof of Debt" means any proof of debt (or its equivalent under French law) submitted by the UKPI into the NNSA Secondary Proceeding for proof and distribution purposes;

"FSD" means a financial support direction issued by the Pensions Regulator under section 43 of the Pensions Act against certain target companies in the Nortel Group following the issuance of a determination notice on 25 June 2010, and **"FSDs"** means more than one FSD or an FSD issued against more than one target company;

"Insolvency Act" means the Insolvency Act 1986;

"Insolvency Rules" means the Insolvency Rules 1986;

"NNIF" has the meaning given to it in Schedule 1 (*EMEA Entities*);

"NNSA" means Nortel Networks S.A. (in administration and in *liquidation judiciaire*), a company incorporated in Versailles (France) (Registered Number B389 516 741);

"NNSA Allocation" means US\$220,000,000 (Two Hundred Twenty Million United States Dollars) paid to NNSA pursuant to the terms of the Settlement and Support Agreement;

"NNSA Main Proceeding" means NNSA in its capacity as being subject to administration proceedings before the English Companies Court which commenced on 14 January 2009 by order of Mr Justice Blackburne and acting by the NNSA Administrators and the Conflict Administrator;

"NNSA Secondary Proceeding" means NNSA in its capacity as being subject to the French liquidation proceeding within the meaning of Article 27 of the EC Regulation which commenced on 28 May 2009 by judgment of the French Court and acting by the *Liquidateur Judiciaire*;

"NNSA Settlement Deed" means the settlement agreement on or around the date of this Deed and made between the EMEA Debtors, the Joint Administrators, the Conflict Administrator and the *Liquidateur Judiciaire*;

"NNUK" means Nortel Networks UK Limited (in administration);

"NNUK Allocation" shall have the meaning ascribed to it in the Settlement and Support Agreement;

"Non-CVA Targets" means the entities listed in Part D of Schedule 1 (*EMEA Entities*);

"Non-Filed Entities" means the entities listed in Part B of Schedule 1 (*EMEA Entities*);

"Nortel Group" means the US Debtors, the EMEA Entities, the Canadian Debtors and certain other non-filed entities around the world which were part of the Nortel group of companies;

"Nortel Russia" means Nortel Networks o.o.o.;

"NTF" means Northern Telecom France S.A. (in *liquidation amiable*);

"Pensions Act" means the Pensions Act 2004;

"Pensions Regulator" means the Pensions Regulator as provided for in Section 1 of the Pensions Act;

"Plans Effective Date" has the meaning ascribed to it in the Settlement and Support Agreement;

"Plan Support Condition" means the occurrence of the Plans Effective Date;

"References" has the meaning set out at recital (E);

"Sale Proceeds" shall have the meaning ascribed to it in the Settlement and Support Agreement and shall, where the context requires, include any interest which may be payable on those Sale Proceeds pursuant to the terms of the Settlement and Support Agreement;

"Section 75 Claim" means the liability of NNUK arising under section 75 of the Pensions Act 1995;

"Settlement and Support Agreement" means the Settlement and Plans Support Agreement dated on or around the date of this Deed and made between, inter alia, the Canadian Debtors, the US Debtors, NNUK, NNSA (by both the NNSA Main Proceeding and NNSA Secondary Proceeding), the EMEA Debtors other than NNUK, the Conflict Administrator, the *Liquidateur Judiciaire* and the UKPI (as defined therein);

"Settlement Documents" means:

- (a) this Deed;
- (b) the Settlement and Support Agreement;
- (c) the Deed of Release;
- (d) the NNSA Settlement Deed;
- (e) the Settlement Tomlin Order; and
- (f) the Side Letter;

"Settlement Tomlin Order" means the Tomlin Order in the form set out at Schedule 5 (*Settlement Tomlin Order*);

"Side Letter" means the side letter to be signed by the Pensions Regulator in the form substantially set out at Schedule 6 (*Side Letter*);

"Statutory Interest" means interest calculated in accordance with Rule 2.88(7) of the Insolvency Rules;

"Successful Challenge" means in respect of a CVA of any CVA Target the (i) revocation or permanent suspension of (a) that CVA; or (b) any decision approving that CVA, in accordance with sections 6(4) to 6(6) of the Insolvency Act, or (ii) modification, revision or variation of any of the terms of the CVA providing for or giving effect to the payment of interest on admitted claims at the Commercial Interest Rate in place of any payment of Statutory Interest;

"Targets" means the CVA Targets, the Non-CVA Targets and the Non-Filed Entities;

"UKPI" means the Trustee and the PPF;

"Upper Tribunal" means the Upper Tribunal (Tax & Chancery Chamber);

"US and Canada Claims Litigation" means the litigation between, inter alia, the EMEA Debtors and (1) the Canadian Debtors in the Canadian Court and (2) the US Debtors in the US Court which respectively resulted in the entry into of the Canadian Claims Settlement Agreement and the US Claims Settlement Agreement;

"US Court" shall have the meaning ascribed to it in the Settlement and Support Agreement;

"US Claims Settlement Agreement" means the agreement settling US claims litigation dated on or around 17 December 2013 and made between the US Interests (as defined

therein), the EMEA Parties (as defined therein), the NNSA Secondary Proceeding and the UKPI, amongst others; and

"US Debtors" means Nortel Networks Inc., certain of its United States affiliates and Nortel Networks CALA, Inc.

- 1.2 In this Deed, except where the context otherwise requires:
- 1.2.1 any reference to this Deed includes the Schedules to it each of which forms part of this Deed for all purposes;
 - 1.2.2 a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;
 - 1.2.3 a reference to a person shall include a reference to a firm, body corporate, unincorporated association, partnership or to an individual's executors or administrators;
 - 1.2.4 a reference to a Clause, sub-clause, paragraph or Schedule shall be a reference to a Clause, sub-clause, paragraph or Schedule (as the case may be) of or to this Deed;
 - 1.2.5 if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;
 - 1.2.6 references to writing shall include any modes of reproducing words in any legible form and shall include email except where expressly stated otherwise;
 - 1.2.7 the headings in this Deed are for convenience only and shall not affect its interpretation;
 - 1.2.8 words in the singular shall include the plural and vice versa; and
 - 1.2.9 any reference to a "**liability**" means any obligation, claim, cause of action or liability, whether it is present or contingent and whether or not contemplated or foreseen, whether or not its amount is fixed or liquidated, whether or not it is disputed, whether or not it involves the payment of money, and whether it arises at common law, in equity, by statute or otherwise or in any jurisdiction or in any manner whatsoever and including VAT (or its equivalent in any jurisdiction in which NNSA, the EMEA Debtors, the Other Filed Entities, the Non-Filed Entities and NTF are incorporated) if any.

2. CONDITIONS

- 2.1 Subject to Clauses 2.5 and 2.6, the covenants, promises and obligations under this Deed are conditional upon and do not become unconditional until:
- 2.1.1 the granting of an order of the English High Court that the Joint Administrators be at liberty to perform and to procure the relevant EMEA Debtor in respect of which they are appointed and the NNSA Main Proceeding (respectively) to perform the following agreements:
 - (A) this Deed;
 - (B) the Settlement and Support Agreement;
 - (C) the Deed of Release; and
 - (D) the NNSA Settlement Deed.

2.1.2 the granting of an order of the French Court approving and authorising the *Liquidateur Judiciaire's* entry into and performance of the following Agreements on behalf of the NNSA Secondary Proceeding:

- (A) this Deed;
- (B) the Settlement and Support Agreement;
- (C) the Deed of Release; and
- (D) the NNSA Settlement Deed.

2.1.3 the granting of an order of the Beddoes Judge authorising the Trustee to implement the conditional provisions of:

- (A) this Deed;
- (B) the Deed of Release; and
- (C) the Settlement and Support Agreement.

2.1.4 the delivery of the Side Letter by the Pensions Regulator;

2.1.5 the granting of the Settlement Tomlin Order and

2.1.6 the occurrence of the Plans Effective Date.

2.2 Each of the *Liquidateur Judiciaire*, the Joint Administrators of each EMEA Debtor, the Conflict Administrator and the Trustee shall seek to obtain the orders (as applicable) referred to in Clause 2.1 by no later than 4 November 2016.

2.3 A copy of each order referred to in Clauses 2.1.1, 2.1.2 and 2.1.3 shall be sent to each other Party promptly upon the order being made. The delivery of the order of the Beddoes Judge pursuant to this Clause 2.3 does not constitute a waiver by the Trustee of its right to maintain confidentiality in respect of all other papers filed with the Beddoes Judge and/or orders made by the Beddoes Judge.

2.4 NNUK shall promptly confirm in writing to each Party that the conditions to the effectiveness of this Deed have been satisfied promptly following receipt of all documents referred to in Clauses 2.1.1 to 2.1.4 and following the occurrence of Plans Effective Date.

2.5 Any condition in Clause 2.1 may be waived by all Parties in writing.

2.6 Notwithstanding the provisions of Clause 2.1, the following provisions of this Deed shall be unconditional and thus place immediate obligations on the Parties: Clause 1 (*Definitions and interpretation*), this Clause 2 (*Conditions*), Clause 5 (*FSD Settlement and Secondary Proceeding Proof of Debt*), Clause 10.1, Clause 11 (*Exclusion of liability*), Clause 13 (*Further Assurance*), Clause 14 (*Notices*), Clause 15 (*Non-Reliance*), Clause 16 (*Miscellaneous*), Clause 17 (*No set-off*) and Clause 18 (*Governing law and jurisdiction*).

3. THE LIQUIDATEUR JUDICIAIRE AND LIQUIDATEUR AMIABLE

Each of the NNSA Secondary Proceeding, acting by the *Liquidateur Judiciaire* and NTF, acting by the *Liquidateur Amiable* is a party to this Deed solely for the purpose of:

3.1 Clause 2 (*Conditions*);

3.2 Clause 4 (*Settlement of the Allocation Dispute*);

3.3 Clause 5 (*FSD Settlement and Secondary Proceeding Proof of Debt*);

- 3.4 Clause 7 (*Costs*); and
- 3.5 Clauses 12 (*Representations and Warranties*) to Clause 18 (*Governing Law and Jurisdiction*) inclusive.

4. SETTLEMENT OF THE ALLOCATION DISPUTE

- 4.1 The Parties agree that:
- 4.1.1 the EMEA (non-NNSA/non-NNUK) Allocation shall be applied between the EMEA Debtors (other than NNSA and NNUK) in accordance with the proportions set out at Schedule 2 (*Allocation Proportions*) and paid to the EMEA Debtors (other than NNUK and NNSA);
 - 4.1.2 the NNUK Allocation shall be paid and applied to NNUK; and
 - 4.1.3 the NNSA Allocation shall be paid and applied in accordance with the NNSA Settlement Deed.
- 4.2 The EMEA Debtors acting by their respective Joint Administrators and, if necessary, in respect of NNSA, acting by the Conflict Administrator and the *Liquidateur Judiciaire* (each acting reasonably) will give such instructions to the Escrow Agent to transfer the amounts referred to in Clause 4.1 to each of NNUK, NNSA and the other EMEA Debtors as soon as reasonably practicable.

5. FSD SETTLEMENT AND SECONDARY PROCEEDING PROOF OF DEBT

- 5.1 As soon as is reasonably practicable upon signature of this Deed, the Parties shall take all necessary steps to obtain the Settlement Tomlin Order from the Upper Tribunal by consent, such order to be subject to the following subsequent conditions:
- 5.1.1 with respect to all Targets, in the event that the Plan Support Condition is not satisfied, the stay on the References in respect of all Targets shall terminate; and
 - 5.1.2 with respect to each of the CVA Targets individually, in the event that a CVA Failure Event occurs in respect of that CVA Target, the stay on the References in respect of that individual CVA Target shall terminate unless each of the Trustee, the PPF and that CVA Target otherwise agree in writing (and that agreement is supported by the Pensions Regulator), with no prejudice to the stay in place against any other Target.
- 5.2 On becoming aware of the same:
- 5.2.1 NNUK shall promptly notify the Parties in writing if the Plan Support Condition is not satisfied; and
 - 5.2.2 a CVA Target shall promptly notify the Parties in writing if it becomes subject to a CVA Failure Event.
- 5.3 Subject to Clause 3.7 of the Deed of Release, (a) if a CVA Failure Event occurs in respect of a CVA Target, then the UKPI's sole right of recourse against that CVA Target shall be as determined in the Reference proceedings against that CVA Target and in any subsequent proceedings for a Contribution Notice against that CVA Target, as such proceedings are provided for in the Settlement Tomlin Order; and (b) the UKPI shall have no right of recourse against any other CVA Target which has not been subject to a CVA Failure Event or any Non-Filed Entity or any Non-CVA Target. Further, a CVA Target which is subject to a CVA Failure Event shall have no right of recourse against any other EMEA Entity in respect of any liability arising from an FSD issued against it or any claim brought against it under section 47 of the Pensions Act or in respect of any amount subsequently payable by it pursuant to a Contribution Notice.

- 5.4 On the Plans Effective Date, the French Proof of Debt shall be deemed to have been withdrawn as of right. As soon as is reasonably practicable following the Plans Effective Date, the UKPI shall confirm such withdrawal of its French Proof of Debt by promptly submitting pleadings ("*conclusions de désistement d'instance et d'action*") in the current proceedings pertaining to the French Proof of Debt pending before the French Court.
- 5.5 The UKPI irrevocably consents to the terms of the Settlement Tomlin Order.
- 5.6 For the purpose of carrying Clause 5.1 into effect, the relevant Parties shall procure that their respective solicitors shall, forthwith upon signature of this Deed, sign the Settlement Tomlin Order and deliver it to NNIF which shall arrange for the signed Settlement Tomlin Order to be filed at the Upper Tribunal forthwith.

6. CVAS

- 6.1 Each CVA Target shall propose a Commercial Interest CVA thereby removing the right of a creditor to be paid Statutory Interest.
- 6.2 Each Non-Filed Entity and NTF shall have no obligation to promulgate a CVA.
- 6.3 The NNSA Main Proceeding shall propose a CVA in accordance with the terms of the NNSA Settlement Deed.
- 6.4 The Parties agree that each CVA proposed in accordance with Clause 6.1 shall include, without limitation:
- 6.4.1 a bar date by which, save for exceptional circumstances as determined at the discretion of the relevant EMEA Debtor, all creditor claims must be filed with the relevant EMEA Debtor;
 - 6.4.2 a term whereby each creditor will relinquish its right to receive Statutory Interest; and
 - 6.4.3 a term which shall provide, inter alia, for the following order of payments:
 - (A) the principal amount of unsecured and unsubordinated claims until paid in full;
 - (B) the principal amount of all payments subordinated pursuant to the requirements of a local law until paid in full;
 - (C) interest at the Commercial Interest Rate on the principal amount of claims at (A) until paid in full;
 - (D) interest at the Commercial Interest Rate on the principal amount of claims at (B) until paid in full;
 - (E) the principal amount of subordinated unsecured claims which were assigned to NNUK in accordance with the assignment provided for in the Canadian Claims Settlement Agreement until paid in full; and
 - (F) interest at the Commercial Interest Rate on the principal amount of claims at (E) until paid in full.
- 6.5 The relevant EMEA Debtor shall consult with the UKPI as to the drafting of the clauses in the CVAs which give effect to the requirements in Clauses 6.4.2 and 6.4.3.

7. COSTS

- 7.1 The Parties agree that all of the:
- 7.1.1 time costs in respect of the Joint Administrators' remuneration (as approved in the ordinary course); and

- 7.1.2 legal fees and other expenses, costs and disbursements, incurred by the Joint Administrators for the benefit of the EMEA Debtors as a whole in connection with the Allocation Dispute and US and Canada Claims Litigation up to and including the date of this Deed or, if later, the Plans Effective Date shall be apportioned between the EMEA Debtors taking into account the following factors:
- 7.1.3 the amount of the Sale Proceeds received by each EMEA Debtor;
 - 7.1.4 any amounts received by each EMEA Debtor in respect of direct claims into the estates of one or more of the Canadian Debtors;
 - 7.1.5 any benefit received by an unsecured creditor of an EMEA Debtor as a consequence of the Canadian Claims Settlement Agreement;
 - 7.1.6 any amounts received by the relevant EMEA Debtor out of the \$37.5m received from the US Debtors in accordance with the US Claims Settlement Agreement; and
 - 7.1.7 any benefit received by an EMEA Debtor as a consequence of the US Claims Settlement Agreement.
- 7.2 It is estimated as at the date of this Deed that the percentage of costs payable by each EMEA Debtor (other than NNSA) as a result of the allocation principles at Clause 7.1 above shall be the percentages set out at Schedule 4 (*Cost Allocation*).
- 7.3 The Parties agree that the apportionment set out in Clause 7.1 above results in an obligation on each of the EMEA Debtors (other than NNSA where the obligation is set out in the NNSA Settlement Deed, and NNUK) to pay such amounts as an Administration Expense of that EMEA Debtor. Payment shall be made promptly by such EMEA Debtor following receipt by that EMEA Debtor of its share of the EMEA (non-NNSA/non-NNUK) Allocation and without set-off or any other deduction whatsoever.
- 8. LRE PAYMENT**
- 8.1 For the purpose of this Clause 8, the following terms shall have the following meaning:
- 8.1.1 **"2009 Book Debts"** means an amount equal to 50% of the outstanding receivables owed to the relevant LRE as at 31 December 2009;
 - 8.1.2 **"2009 Cash Balance"** means an amount equal to the cash at bank of the relevant LRE as at 31 December 2009;
 - 8.1.3 **"2009 Deemed Cash"** means the 2009 Cash Balance plus the 2009 Book Debts;
 - 8.1.4 **"2016 Cash Balance"** means an amount equal to cash at bank of the relevant LRE as at the date on which each LRE receives its allocation following the relevant instructions given under Clause 4 (*Settlement of the Allocation Dispute*) and (for the avoidance of doubt) taking into account that allocation received;
 - 8.1.5 **"2016 Closing Cash"** means the 2016 Cash Balance minus any unpaid Post Filing Expenses;
 - 8.1.6 **"Applicable Allocation Costs"** means the costs attributed to the relevant LRE pursuant to Clause 7 (*Costs*);

- 8.1.7 **"Applicable Allocation Proportion"** means the amount allocated to the relevant LRE pursuant to Clause 4.1.1 and Schedule 2 (*Allocation Proportions*);
- 8.1.8 **"LRE"** means each of Nortel Networks N.V., Nortel Networks, s.r.o., Nortel Networks S.p.A., Nortel Networks Engineering Service Kft., Nortel Networks B.V., Nortel Networks Portugal S.A., Nortel Networks Polska Sp. z.o.o., Nortel Networks Slovensko, s.r.o., Nortel Networks Hispania S.A., Nortel Networks (Austria) GmbH, Nortel Networks Oy, Nortel Networks AB and Nortel Networks Romania SRL;
- 8.1.9 **"LRE Payment"** means for each LRE an amount equal to its 2009 Deemed Cash less 2016 Closing Cash provided that such amount shall not be less than zero;
- 8.1.10 **"NNIFH Loan"** means (i) in the case of Nortel Hungary the sum of EUR 111,945.83 as at 22 September 2016 together with interest at the rate of 3% per annum accruing from that date to the date on which Nortel Hungary receives its allocation under Clause 4.1, (ii) in the case of Nortel Finland the sum of EUR 211,494.29 as at 22 September 2016, and (iii) for all other LREs EUR 0;
- 8.1.11 **"Non-Allocation Costs"** means post administration fees and administration expenses incurred but not yet paid by the relevant LRE as at the date on which NNUK and the EMEA Debtors receive their allocation under Clause 4 (*Settlement of the Allocation Dispute*);
- 8.1.12 **"Post Filing Expenses"** means the Applicable Allocation Costs plus the Non-Allocation Costs plus the NNIFH Loan plus the Post Filing Tax;
- 8.1.13 **"Post Filing Tax"** means the post administration filing tax payable by an LRE being the higher of (1) the tax payable on its Applicable Allocation Proportion or (2) its actual liability to tax arising as a result of the disposal of its assets.
- 8.2 The LREs continued to trade after the appointment of administrators over them. The Joint Administrators of NNUK consider that this facilitated the sales process which gave rise to the Sale Proceeds and that had such not occurred that may have been detrimental to the interests of creditors of NNUK. Accordingly NNUK shall make the payment(s) referred to in Clause 8.4.
- 8.3 The Joint Administrators of NNUK and each LRE shall determine the amount (for each LRE) which is the lower of:
- 8.3.1 the LRE Payment; and
- 8.3.2 the amount required to pay the relevant LRE's unsecured creditors 100 pence in the pound (or its foreign currency equivalent) on the principal amount of that LRE's admitted claims plus (i) all unpaid Post Filing Expenses of that LRE and (ii) all unpaid claims which rank ahead of the unsecured claims of that LRE.
- 8.4 If the amount determined pursuant to Clause 8.3:
- 8.4.1 is less than US\$16,000,000 (in aggregate), then NNUK shall pay as an Administration Expense to each LRE an amount which is the lower of (i) its LRE Payment, and (ii) the amount required to pay the relevant LRE's unsecured creditors 100 pence in the pound (or its foreign currency equivalent) on the principal amount of that LRE's admitted claims plus (a) all unpaid Post Filing Expenses of that LRE and (b) all unpaid claims which rank ahead of the unsecured claims of that LRE; or

- 8.4.2 is equal to or greater than US\$16,000,000 (in aggregate), then NNUK shall pay a maximum of US\$16,000,000 (in aggregate) following one or more written demands from one or more LRE and the Joint Administrators of NNUK shall determine how an amount of US\$16,000,000 shall be divided between the LREs, and shall notify the LREs of that determination whereupon NNUK shall make such payment as an Administration Expense (subject to the amount not exceeding US\$16,000,000 (in aggregate)) in the manner specified in that notice.
- 8.5 For the avoidance of doubt, costs accrued after the date on which the EMEA Debtors receive their allocation under Clause 4 (*Settlement of the Allocation Dispute*) shall not be included in the calculation of the LRE Payment.
- 8.6 The UKPI shall not object to the payments referred to in Clause 8.4.
- 8.7 The UKPI acknowledge that the Joint Administrators of NNUK reserve the right to make payments in excess of the US\$16,000,000 (in aggregate) provided for in Clause 8.4 to satisfy assurances previously given by them to each of the LREs (and their Joint Administrators) as a result of the LREs continuing to trade (the "**Further Payments**"), and that the Joint Administrators of the LREs reserve the right to demand payment under such assurances and nothing in this Deed shall fetter any such rights the Joint Administrators of NNUK or any LRE may have. However, the UKPI shall not be taken to have consented to any such Further Payments and, notwithstanding any term of this Clause 8 or the Deed of Release, all remedies and rights that the UKPI may have in respect of any such Further Payments shall be reserved in full.
- 8.8 NNUK shall inform the UKPI of:
- 8.8.1 any amounts paid pursuant to Clause 8.4; and
 - 8.8.2 any Further Payments which the Joint Administrators or NNUK intend to pay.
9. **NNUK DISTRIBUTION**
- 9.1 NNUK shall use its reasonable endeavours to make an interim distribution to creditors of NNUK within 2 months of the satisfaction of the conditions at Clause 2.1 above.
- 9.2 NNUK shall provide quarterly updates to the UKPI regarding:
- 9.2.1 the timetable for making all further distributions to the creditors of NNUK; and
 - 9.2.2 the progress being made to clarify or resolve any outstanding matters including potential tax liabilities of the EMEA Entities.
10. **CURRENCY CONVERSION**
- 10.1 NNUK shall not request the conversion of any US dollar amounts held by the Escrow Agents (as defined in the Settlement and Support Agreement) into any other currency. If the UKPI (or any other creditor) requests that NNUK procure the conversion of any US dollar amounts held by the Escrow Agents (as defined in the Settlement and Support Agreement) into any other currency, then NNUK (acting by the Joint Administrators) will only do so if NNUK is indemnified to the satisfaction of NNUK (acting by the Joint Administrators).
- 10.2 All distributions by NNUK will be in pounds sterling.
- 10.3 Subject to Clause 10.2, NNUK shall be under no obligation to convert any amount from US dollars to pounds sterling pursuant to Section 7 (*Currency Conversion*) of the Settlement and Support Agreement. Prior to any distribution to creditors, NNUK shall determine at its sole discretion, but following not less than 14 days' notice to and consultation with the

advisers to the UKPI, the conversion of the NNUK Allocation into sterling (or such other currency or instruments as may be appropriate) including the timing of such conversion(s)), the foreign exchange rate at which the conversion is executed, and the quantum to be converted.

11. EXCLUSION OF LIABILITY

- 11.1 For the purposes of this Clause 11, "**Administrators**" shall mean the Joint Administrators, the Conflict Administrator, the *Liquidateur Judiciaire*, the *Liquidateur Amiable* and, where the context so requires, any one or each of them and "**EMEA Debtors**" shall be deemed to include NTF.
- 11.2 The Administrators act only as agents of the EMEA Debtors of which they are administrators.
- 11.3 The provisions of this Clause 11 shall continue notwithstanding the Administrators ceasing to act and shall operate as waivers of any claims in tort and restitution as well as under the law of contract.
- 11.4 The provisions of this Clause 11 shall be in addition to, and not in substitution for, any right of indemnity or relief otherwise available to the EMEA Debtors or the Administrators.
- 11.5 Save for any injunctive relief or specific performance ordered by the Court, no obligations or liabilities arising under this Deed (other than the costs apportionment in Clause 7 and each LRE Payment in Clause 8) shall give rise to any right of any Party (or any such person claiming through them) to payment as an Administration Expense and any such right that might otherwise have arisen is hereby expressly waived and any such claim shall not take effect otherwise than as a claim by way of pro rata distribution among unsecured creditors of equal rank.
- 11.6 The Administrators have joined in as Parties to this Deed solely for the purpose of obtaining the benefit of the provisions of this Clause 11 and any other provisions of this Deed in their favour.
- 11.7 Save for any injunctive relief or specific performance ordered by the Court, the Administrators shall not incur any personal liability of any kind under, or by virtue of, this Deed.
- 11.8 The Administrators shall not be liable on any deed or document executed with a view to, or for the purpose of, giving effect to this Deed unless such deed or document expressly provides otherwise.
- 11.9 The Administrators are the agents of the EMEA Debtors and shall incur no personal liability from acting in the capacity of agents, nor shall any claim thereby arise otherwise than against the relevant EMEA Debtors.
- 11.10 Whether or not acting as agent of the EMEA Debtors (as applicable), the Administrators shall incur no personal liability as a result of acting in the name and on behalf of any of the relevant EMEA Debtors (as applicable) in accordance with Schedule B1 of the Insolvency Act.
- 11.11 For the purpose of any acknowledgements or agreements as to, or provisions of, exclusions of liability in favour of the Administrators in this Deed, references to the Administrators where the context so permits shall mean and include their present and future firm or firms, partners and employees, and any legal entity or partnership using in its name the words "Ernst & Young", "Isonomy" or "ML Conseils", any successor or merged firm and the partners, shareholders, officers and employees of the entity or partnership.

12. REPRESENTATIONS AND WARRANTIES

Each of the Corporate Parties makes the following representations and warranties in relation to it on the date of this Deed to each of the other Parties:

- 12.1 it has the power to enter into and perform the transactions contemplated by this Deed;
- 12.2 this Deed constitutes its legally binding, valid and enforceable obligation;

- 12.3 the entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with any law or regulation or judicial or official order, its constitutional documents or any document which is binding upon it or its assets; and
- 12.4 all authorisations required in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, this Deed have been obtained or effected (as appropriate) and are in full force and effect,
provided that the conditions in Clause 2.1 are satisfied.

13. **FURTHER ASSURANCE**

At any time after the date of this Deed, each of the Corporate Parties shall, to the extent they may lawfully do so, at the request and cost of any other Party (the "**Requesting Party**") execute or procure the execution of such document and do or procure the doing of such acts and things as the Requesting Party may reasonably require for the purpose of giving to the Requesting Party the benefit of all of the provisions of this Deed.

14. **NOTICES**

- 14.1 Any notice (which term shall include any other written communication) required to be given under this Deed or in connection with the matters contemplated by it shall be in writing in the English language.
- 14.2 Any such notice should be addressed as provided in Clause 14.4 and may be:
- 14.2.1 personally delivered, in which case it shall be deemed to have been given upon delivery at the relevant address;
 - 14.2.2 sent by first class pre-paid post, in which case it shall be deemed to have been given two Business Days after the date of posting; or
 - 14.2.3 sent by e-mail, in which case it shall be deemed to have been given when the sender receives e-mail confirmation of receipt from the recipient.
- 14.3 Any notice may be sent by more than one of the means of communication listed in Clause 14.2, and in such case, where, pursuant to Clause 14.2, notice is deemed given more than once (at more than one point in time, corresponding to the different means of communication used), notice shall be taken to have been given at the earliest of those points in time.
- 14.4 The addresses and other details of the Parties referred to in Clause 14.2 are, subject to Clause 14.5:

| | | |
|--|---|---|
| The EMEA Debtors (excluding the NNSA Secondary Proceeding): | C/o Ernst & Young LLP | 1 More London Place London SE1 2AF |
| | E-mail: abloom@uk.ey.com , sharris@uk.ey.com and dmindel@uk.ey.com | |
| | Attention: Alan Bloom, Stephen Harris, Dan Mindel | |
| NNSA Secondary Proceeding: | Maître Cosme Rogeau, <i>es-qualité de</i> | Nortel Networks S.A. (in administration and in <i>liquidation judiciaire</i>) 26 rue Hoche Cedex 3533 78035 Versailles CX France |
| | E-mail: crogeau@mlconseils.eu | |
| The Non-Filed Entities: | Nortel Networks AS | c/o BDO Munkedamsvlan 45 |

Postboks 1704, Vika
N-0121 Oslo
Norway

Nortel Networks South Africa (Pty) Ltd
22 Wellington Road
Parktown
Johannesburg 2193
South Africa

Nortel Networks AG
Flughofstrasse 54
CH-8152 Opfikon
Switzerland

E-mail: simon.freemantle@emeanortel.com and
dave.quane@emeanortel.com

Attention: Simon Freemantle and Dave Quane

NTF:

Maître Cosme Rogeau, es-qualité de
Northern Telecom France S.A. (in *liquidation*
amiable)
26 rue Hoche
Cedex 3533
78035 Versailles CX
France

E-mail: crogeau@mlconseils.eu

The Joint Administrators:

Ernst & Young LLP
1 More London Place
London
SE1 2AF

E-mail: abloom@uk.ey.com, sharris@uk.ey.com
and dmindel@uk.ey.com

Attention: Alan Bloom, Stephen Harris, Dan
Mindel

The Conflict Administrator:

Stephen Taylor
Isonomy Limited
Leawood Hall
Holloway
Derbyshire
DE4 5AQ

E-mail: stephentaylor@isonomy.eu.com

**The *Liquidateur Judiciaire*
and the *Liquidateur Amiable*:**

Maître Cosme Rogeau
ML Conseils
26 rue Hoche
Cedex 3533
78035 Versailles CX
France

E-mail: crogeau@mlconseils.eu

The Trustee and the PPF:

Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London EC1A 2FG

E-mail: amdg@hoganlovells.com,
john.tillman@hoganlovells.com,
matthew.bullen@hoganlovells.com and

crispin.rapinet@hoganlovells.com

Attention: Angela Dimsdale Gill, Crispin Rapinet,
John Tillman and Matthew Bullen

- 14.5 Any Party may notify the other Parties of any change to the address or any of the other details specified in Clause 14.4 provided that such notification shall only be effective on the date specified in such notice or five Business Days after the notice is given, whichever is later.
15. **NON-RELIANCE**
- The Parties agree that:
- 15.1 until the conditions at 2.1 have been met, the Parties shall not seek to use, introduce, tender, reference or otherwise seek to rely on any of the Settlement Documents, or any term, compromise or agreement reflected therein in any litigation, arbitration or other legal proceedings of whatsoever nature involving any of the Parties, save for the purposes of:
- 15.1.1 seeking to enforce and implement the provisions of the Settlement Documents and the transactions, agreements and actions contemplated thereby; and
 - 15.1.2 for the purposes of seeking the orders at Clauses 2.1.1 to 2.1.3 (inclusive); and
- 15.2 subject to the terms of the Deed of Release being given their full force and effect, nothing in the Settlement Documents shall constitute or be argued to constitute, or in any way be construed as an admission of any fact, liability, wrongdoing or legal position.
16. **MISCELLANEOUS**
- 16.1 For the purposes of any explanatory statement (or similar disclosure document) for the purposes of the CVAs, the Joint Administrators of the relevant EMEA Debtor proposing the CVA may disclose details of the compromise contained in this Deed and the basis on which such compromise was reached and deemed to be appropriate by the Joint Administrators of the relevant EMEA Debtor, having first shared a copy of any such statement or document with the UKPI and consulted the UKPI on its contents at least 7 days before any such statement or document is published.
- 16.2 If any term of this Deed is deemed illegal, invalid or unenforceable in any jurisdiction, that shall not affect:
- 16.2.1 the legality, validity or enforceability in that jurisdiction of any other term in this Deed; or
 - 16.2.2 the legality, validity or enforceability in other jurisdictions of that or any other term of this Deed.
- 16.3 This Deed may be executed in any number of counterparts which, when taken together, shall constitute one and the same agreement.
- 16.4 No delay or omission on the part of any Party in exercising any right, power or remedy provided under this Deed shall impair such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy.
- 16.5 This Deed may only be amended with the written agreement by deed of each of the Parties hereto.
- 16.6 This Deed shall be binding on each of the Parties' successors and assigns. No Party may assign or transfer the rights or obligations and undertakings set out in this Deed without the prior written consent of each Party, save (for the avoidance of doubt) that in the event that the PPF assumes responsibility for the Nortel Networks UK Pension Plan pursuant to section 161 of the Pensions Act, any relevant rights of the Trustee under this Deed shall transfer to the PPF automatically as contemplated under that section of the Pensions Act.

- 16.7 This Deed, together with the other Settlement Documents, represents the entire understanding of, and constitutes the whole agreement between, the Parties, in relation to its subject matter and supersedes any previous agreement between the Parties with respect thereto.
- 16.8 If any provision of this Deed shall be void or unenforceable by reason of any provision of applicable law, it shall be deleted and the remaining provisions hereof shall continue in full force and effect and, if necessary, be so amended as shall be necessary to give effect to the spirit of this Deed so far as possible.
- 16.9 Any person who is not a Party to this Deed may not enforce its terms under the Contracts (Rights of Third Parties) Act 1999.
- 16.10 Each Party agrees that it bears its own costs of entering into this Deed.
- 16.11 All notices, demands, requests, statements, certificates or other documents or communications provided for in this Deed shall be in English unless otherwise agreed.
17. **NO SET-OFF**
All sums payable under this Deed shall be paid in full without any withholding, deduction, counter-claim or set-off whatsoever or howsoever arising.
18. **GOVERNING LAW AND JURISDICTION**
- 18.1 This Deed and any non-contractual obligations arising out of or connected with this Deed are governed by and shall be construed in accordance with English law.
- 18.2 Notwithstanding Clause 18.1, the Parties agree that, in performing their obligations under this Deed, the NNSA Secondary Proceeding, NTF, the *Liquidateur Judiciaire* and the *Liquidateur Amiable* shall not be required to act in a manner inconsistent with French law.
- 18.3 Subject to Clause 18.6, each of the Parties irrevocably agrees that the English Courts have exclusive jurisdiction to settle and determine any dispute (including any non-contractual disputes or claims) arising out of or in connection with this Deed and each of the Parties accordingly submits to the exclusive jurisdiction of the English Courts.
- 18.4 Each Party irrevocably waives any objection which they may at any time have to the laying of the venue of any proceedings in the English Courts or, for the purposes of Clause 18.6, the French Court or English Courts (unless proceedings are already pending at the date of this Deed before any such Court), and any claim or argument that any such proceedings have been brought in an inconvenient forum.
- 18.5 For the avoidance of doubt, nothing in this Deed is intended to constitute submission by the Non-Filed Entities to the jurisdiction of the English Courts in connection with the reference proceedings to which they are party currently pending before the Upper Tribunal (Tax & Chancery Chamber).
- 18.6 Notwithstanding anything to the contrary in this Deed, any claim, action or proceeding against each of the *Liquidateur Judiciaire* and/or the *Liquidateur Amiable* in his personal capacity under this Deed shall be governed by French law and subject to the exclusive jurisdiction of the French Court.

IN WITNESS whereof this Deed has been duly executed and delivered as a deed on the date first above written.

SCHEDULE 1
EMEA ENTITIES
PART A
THE EMEA DEBTORS

| ENTITY | REGISTERED NUMBER | JURISDICTION |
|---|--------------------------|---------------------|
| Nortel Networks UK Limited (in administration) ("NNUK") | 03937799 | England & Wales |
| Nortel Networks (Ireland) Limited (in administration) ("Nortel Ireland") | 40287 | Ireland |
| Nortel Networks S.A. (in administration and in liquidation judiciaire) ("NNSA") | B389 516 741 | France |
| Nortel Networks N.V. (in administration) ("Nortel Belgium") | 378 358 | Belgium |
| Nortel Networks S.p.A. (in administration) ("Nortel Italy") | REA No. 1307425 | Italy |
| Nortel Networks B.V. (in administration) ("Nortel Netherlands") | 34054624 | Netherlands |
| Nortel Networks Polska Sp. z.o.o. (in administration) ("Nortel Poland") | KRS 158506 | Poland |
| Nortel Networks Hispania S.A. (in administration) ("Nortel Spain") | A-78693603 | Spain |
| Nortel Networks (Austria) GmbH (in administration) ("Nortel Austria") | FN173973v | Austria |
| Nortel Networks S.R.O. (in administration) ("Nortel Czech Republic") | 25 79 84 72 | Czech Republic |
| Nortel Networks Engineering Service Kft (in administration) ("Nortel Hungary") | Cg 01-09-681308 | Hungary |
| Nortel Networks Portugal S.A. (in administration) ("Nortel Portugal") | 502 338 393 | Portugal |
| Nortel Networks Slovensko S.R.O. (in administration) ("Nortel Slovakia") | 35 716 428 | Slovakia |
| Nortel Networks Romania SRL (in administration) ("Nortel Romania") | J40/3642/1999 | Romania |
| Nortel GmbH (in administration) ("Nortel Germany") | HRB 12489 | Germany |
| Nortel Networks Oy (in administration) ("Nortel Finland") | 1039 1404 (Y Reg) | Finland |

| | | |
|--|--------------------------|-------------|
| Nortel Networks AB (in administration) (" Nortel Sweden ") | 556435-7305 | Sweden |
| Nortel Networks International Finance & Holding B.V. (in administration) (" NNIF ") | 34054810 | Netherlands |
| Nortel Networks France SAS (in administration) (" NNF ") | FR625552150724/552150724 | France |

PART B

THE NON-FILED ENTITIES

| ENTITY | REGISTERED NUMBER | JURISDICTION |
|--|--------------------------|---------------------|
| Nortel Networks South Africa (Pty) Limited | 1998/001845/07 | South Africa |
| Nortel Networks AG | 020 2 918 846-4 | Switzerland |
| Nortel Networks AS | 961 797 020 | Norway |

PART C

CVA TARGETS

| ENTITY | REGISTERED NUMBER | JURISDICTION |
|--------------------|--------------------------|---------------------|
| Nortel Germany | HRB 12489 | Germany |
| Nortel Italy | REA No. 1307425 | Italy |
| Nortel Spain | A-78693603 | Spain |
| NNIF | 34054810 | Netherlands |
| Nortel Ireland | 40287 | Ireland |
| Nortel Austria | FN173973v | Austria |
| Nortel Slovakia | 35 716 428 | Slovakia |
| Nortel Hungary | Cg 01-09-681308 | Hungary |
| Nortel Portugal | 502 338 393 | Portugal |
| Nortel Belgium | 378 358 | Belgium |
| Nortel Netherlands | 34054624 | Netherlands |
| Nortel Poland | KRS 158506 | Poland |
| Nortel Sweden | 556435-7305 | Sweden |

| | | |
|-----------------------|------------------------------|----------------|
| Nortel Czech Republic | 25 79 84 72 | Czech Republic |
| NNF | FR625552150724/552150 724 | France |

PART D
NON-CVA TARGETS

| ENTITY | REGISTERED NUMBER | JURISDICTION |
|------------------------------------|--------------------------|---------------------|
| Northern Telecom France SA ("NTF") | B388033011 | France |
| NNSA | B389 516 741 | France |

SCHEDULE 2
ALLOCATION PROPORTIONS

| ENTITY | PERCENTAGE OF EMEA ALLOCATION AMOUNT | ESTIMATED AMOUNT OF EMEA ALLOCATION AMOUNT (US\$) |
|-----------------------|---|--|
| Nortel Ireland | 36.832% | 39,700,848 |
| NNF | 3.607% | 3,888,460 |
| Nortel Germany | 20.092% | 21,657,395 |
| Nortel Spain | 7.881% | 8,494,707 |
| Nortel Portugal | 0.798% | 859,908 |
| Nortel Belgium | 3.619% | 3,901,159 |
| Nortel Netherlands | 8.819% | 9,505,530 |
| Nortel Austria | 0.785% | 846,210 |
| Nortel Poland | 5.976% | 6,441,991 |
| Nortel Italy | 4.937% | 5,321,673 |
| Nortel Czech Republic | 1.735% | 1,870,623 |
| Nortel Slovakia | 0.662% | 713,284 |
| Nortel Hungary | 0.873% | 940,938 |
| Nortel Romania | 0.328% | 353,402 |
| Nortel Finland | 0.029% | 31,282 |
| Nortel Sweden | 0.481% | 518,276 |
| NNIF | 2.545% | 2,743,194 |
| | 100.000% | 107,788,879 |
| | | |
| NNUK | | 1,017,408,257 |
| | | |
| NNSA | | 220,000,000 |
| | | |
| | | 1,345,197,136 |

SCHEDULE 3**COMMERCIAL INTEREST RATE**

| ENTITY | COMMERCIAL INTEREST RATE |
|-----------------------|---------------------------------|
| Nortel Ireland | 5.20% |
| NNF | 3.60% |
| Nortel Germany | 3.07% |
| Nortel Spain | 4.15% |
| Nortel Portugal | 4.32% |
| Nortel Belgium | 4.13% |
| Nortel Netherlands | 3.76% |
| Nortel Austria | 4.00% |
| Nortel Poland | 5.46% |
| Nortel Italy | 4.62% |
| Nortel Czech Republic | 4.21% |
| Nortel Slovakia | 4.69% |
| Nortel Hungary | 8.00% |
| Nortel Romania | 8.00% |
| Nortel Finland | 3.87% |
| Nortel Sweden | 2.80% |
| NNIF | 3.76% |

SCHEDULE 4
COSTS ALLOCATION

| ENTITY | ESTIMATED PERCENTAGE OF COST ALLOCATION TO 3 JULY 2015 | ESTIMATED PERCENTAGE OF COST ALLOCATION FROM 4 JULY 2015 |
|---|---|---|
| Nortel Ireland | 3.57% | 4.31% |
| NNF | 0.32% | 0.38% |
| Nortel Germany | 1.74% | 2.10% |
| Nortel Spain | 0.83% | 1.01% |
| Nortel Portugal | 0.13% | 0.16% |
| Nortel Belgium | 0.64% | 0.78% |
| Nortel Netherlands | 1.99% | 2.41% |
| Nortel Austria | 0.17% | 0.20% |
| Nortel Poland | 1.31% | 1.58% |
| Nortel Italy | 0.45% | 0.55% |
| Nortel Czech Republic | 0.38% | 0.46% |
| Nortel Slovakia | 0.16% | 0.19% |
| Nortel Hungary | 0.15% | 0.19% |
| Nortel Romania | 0.04% | 0.05% |
| Nortel Finland | 0.002% | 0.002% |
| Nortel Sweden | 0.03% | 0.04% |
| NNIF | 0.36% | 0.44% |
| NNUK | 70.49% | 85.15% |
| Nortel Sweden (Denmark Branch) | 0.004% | 0.005% |
| | | |
| NNSA (included for purposes of percentage calculation only) | 17.22% | 0.00% |

**SCHEDULE 5
SETTLEMENT TOMLIN ORDER**

**IN THE UPPER TRIBUNAL
TAX AND CHANCERY CHAMBER
FINANCIAL SERVICES
ON A REFERENCE FROM
THE PENSIONS REGULATOR**

**FS/2010/0016
FS/2010/0017**

B E T W E E N :

NORTEL GMBH AND OTHERS

Applicants

- and -

THE PENSIONS REGULATOR

The Regulator/Respondent

- and -

**(1) NORTEL NETWORKS UK PENSION TRUST LIMITED AS TRUSTEE OF THE NORTEL
NETWORKS UK PENSION PLAN**

(2) THE BOARD OF THE PENSION PROTECTION FUND

Interested Parties

CONSENT ORDER

UPON the application of the parties

AND UPON the order of Sir Stephen Oliver QC dated 11 August 2010 that all proceedings in relation to References FS/2010/0016 and FS/2010/0017 be dealt with together as if the two References were consolidated

AND UPON the Regulator having agreed to give the confidential side letter dated 29 September 2016 (the "**FSD Side Letter**")

AND UPON the Applicants and the Interested Parties having agreed to the terms set out in the confidential settlement agreements between the Applicants and the Interested Parties dated on or around 30 September 2016 (being the "**UKPI Settlement Deed**" and the "**Deed of Release**", and

"UKPI Settlement Agreement"), in particular clause 5 and clause 6 of the UKPI Settlement Deed and clause 3 of the Deed of Release, which pertain to the References

AND UPON the Regulator having reviewed the terms of the UKPI Settlement Agreement and the Settlement and Plans Support Agreement and having confirmed that it has no objection to the terms of the settlement of the Allocation Dispute

AND UPON the Regulator, Applicants and Interested Parties having agreed that the References be stayed subject to two conditions set out in the UKPI Settlement Deed and defined in paragraphs 2 and 3 herein, being the "Plan Support Condition" and the "CVA Failure Event"

AND UPON the Regulator, Applicants and Interested Parties having agreed that if the Plan Support Condition is not satisfied the stay on the proceedings in respect of all Applicants shall be terminated

AND UPON the Regulator, Applicants and Interested Parties having agreed that, with respect to the Applicants listed in Schedule 1 Part A ("CVA Targets"), if the CVA Failure Event occurs in respect of a CVA Target, the stay on the Reference in respect of that Applicant only shall be terminated with no prejudice to any stay in place in respect of any other Applicant

AND UPON copies of the UKPI Settlement Agreement, the Deed of Release, the FSD Side Letter and the settlement and plans support agreement (entered into by, inter alia, the Applicants and the Interested Parties on or about the date of the UKPI Settlement Agreement) (the "Settlement and Plans Support Agreement") being lodged with the draft of this Consent Order with a request that such copies should be retained on the Upper Tribunal's file in a sealed envelope marked as not open to inspection without the Upper Tribunal's permission

AND UPON the parties agreeing that this Order shall not finally dispose of the Reference in respect of each of the Applicants within the meaning of section 96(5) of the Pensions Act 2004 (and that they shall not assert or seek to argue as such) but agreeing that those References remain in being for the purposes of ensuring the terms of the UKPI Settlement Agreement and the FSD Side Letter are carried out

AND UPON a determination notice being issued against Nortel Networks (Scandinavia) AS (being an entity which is not known to the Applicants) and then asserted by the Regulator against Nortel Networks AS (which is an Applicant entity), the parties agreeing that the terms of this Order are without prejudice to any arguments by Nortel Networks AS that no determination was made against it

AND UPON the parties agreeing that nothing in this Order should constitute a submission to the jurisdiction of the English Court by any of Nortel Networks AG, Nortel Networks South Africa (Proprietary) Limited or Nortel Networks AS

BY CONSENT

IT IS ORDERED that:

All further proceedings in this matter be stayed except for the purpose of carrying the terms of the FSD Side Letter, clause 5 and clause 6 of the UKPI Settlement Deed and clause 3 of the Deed of Release into effect, subject to:

- a. the condition set out at paragraph 2 of this Order (which applies to all Applicants, being both the CVA Targets listed in Schedule 1 Part A and the Applicants listed in Schedule 1 Part B ("Non-CVA Targets")); and
- b. the condition set out at paragraph 3 of this Order (which applies to the CVA Targets only listed in Schedule 1 Part A).

In the event that the Plans Effective Date (as defined in the Settlement and Plans Support Agreement) does not occur by 31 August 2017 (or whichever other date may be agreed between the parties to the Settlement and Plans Support Agreement as a deadline for the Plans Effective Date), the stay on the References in respect of all Applicants shall be terminated (the "Plan Support Condition").

In the event that a CVA Failure Event (as defined in the UKPI Settlement Deed) occurs in respect of an individual CVA Target, the stay on the Reference in respect of that individual CVA

Target shall be terminated, without prejudice to the stay on the References in respect of any other Applicant and/or CVA Target in respect of which the stay on the References shall remain in place.

In the event of the stay terminating against one or more Applicants pursuant to paragraph 2 or 3 above, the Applicant/s against which the stay has terminated, the Regulator or the Interested Parties may apply to the Upper Tribunal for the fixing of a Case Management Conference in respect of the Reference as against the relevant Applicant/s.

This Order shall not finally dispose of either of the References (within the meaning of section 96(5) of the Pensions Act 2004) in respect of any of the Applicants.

Whilst the stay provided for by this Order remains in place in respect of any Applicant or Applicants, no party shall:

- a. seek to proceed with, pursue or issue a Financial Support Direction or Contribution Notice under the Pensions Act 2004 based on the Relevant Matters; or
- b. argue for or contend that a Financial Support Direction or Contribution Notice should be proceeded with, pursued or issued based on the Relevant Matters,

against any Applicant or Applicants in respect of whom the stay remains in place.

Relevant Matters shall mean the facts and matters in any of the following: the Warning Notice dated on or around 11 January 2010; any documents filed or arguments submitted in the proceedings before the Determinations Panel; the Determination Notice; and the Reasons of the Determinations Panel.

For the avoidance of doubt, if the stay provided for by this Order is terminated in respect of any one or more Applicants, then:

- a. the stay shall remain in place in respect of any other Applicant or Applicants in relation to whom the stay has not been terminated (the "**Stayed Applicants**");
- b. the References shall not be taken to have been finally disposed of (within the meaning of section 96(5) of the Pensions Act 2004) in respect of the Stayed Applicants; and
- c. no Financial Support Direction or Contribution Notice (or other relevant regulatory function) shall be proceeded with, pursued or issued against the Stayed Applicants based on the Relevant Matters and no party shall argue for or contend that it should be.

The parties may be permitted to apply to the Court as well as to the Upper Tribunal, as appropriate, to enforce the terms of the FSD Side Letter, clause 5 and clause 6 of the UKPI Settlement Deed, clause 3 of the Deed of Release and this Order without the need to bring new proceedings.

There be no order as to costs.

We, solicitors for the Applicants, consent to an Order in the above terms.

We, the Respondent, consent to an Order in the above terms.

Signed:.....

Signed:.....

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London, EC2A 2EG
Ref: 1403/30906078

For and on behalf of the Respondent
Geoff Cruickshank
The Pensions Regulator
Napier house
Trafalgar Place
Brighton, BN1 4DW
Ref: TM6409

We, solicitors for the Interested Parties,
consent to an Order in the above terms.

Signed:.....

Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London, EC1A 2FG
Ref: D3/AMDG

SCHEDULE 1

APPLICANTS

PART A

CVA TARGETS

| # | Entity |
|----------|---|
| 1. | Nortel GmbH (in administration) |
| 2. | Nortel Networks S.p.A. (in administration) |
| 3. | Nortel Networks Hispania S.A. (in administration) |
| 4. | Nortel Networks International Finance & Holding B.V. (in administration) |
| 5. | Nortel Networks (Ireland) Limited (in administration) (" Nortel Ireland ") |
| 6. | Nortel Networks (Austria) GmbH (in administration) |
| 7. | Nortel Networks Slovensko S.R.O. (in administration) |
| 8. | Nortel Networks Engineering Service Kft (in administration) |
| 9. | Nortel Networks Portugal S.A. (in administration) |
| 10. | Nortel Networks N.V. (in administration) |
| 11. | Nortel Networks B.V. (in administration) |
| 12. | Nortel Networks Polska Sp. z.o.o. (in administration) |
| 13. | Nortel Networks AB (in administration) |
| 14. | Nortel Networks S.R.O. (in administration) |
| 15. | Nortel Networks France SAS (in administration) (" NNF ") |

PART B

NON-CVA TARGETS

| # | Entity |
|----------|--|
| 1. | Nortel Networks AG |
| 2. | Nortel Networks South Africa (Proprietary) Limited |
| 3. | Northern Telecom France SA |
| 4. | Nortel Networks AS |

| | |
|----|---|
| 5. | Nortel Networks S.A. (in administration and in <i>liquidation judiciaire</i>) ("NNSA") |
|----|---|

FS/2010/0016

FS/2010/0017

**IN THE UPPER TRIBUNAL
(TAX AND CHANCERY CHAMBER)
FINANCIAL SERVICES
ON A REFERENCE FROM THE
PENSIONS REGULATOR**

BETWEEN:

NORTEL GMBH AND OTHERS

Applicants

-and-

THE PENSIONS REGULATOR

The Regulator/Respondent

-and-

**(1) NORTEL NETWORKS UK PENSION
TRUST LIMITED AS TRUSTEE OF
THE NORTEL NETWORKS UK
PENSION PLAN**

**(2) THE BOARD OF THE PENSION
PROTECTION FUND**

Interested Parties

draft/ CONSENT ORDER

**Herbert Smith Freehills LLP
Exchange House, Primrose Street
London EC2A 2EG
Ref: 1403/30906078**

Solicitors for the Applicants

SCHEDULE 6

SIDE LETTER

The Pensions Regulator
Napier House
Trafalgar Place Brighton
BN1 4DW
29 September 2016

The Applicants (as defined in Schedule 1)
c/o EY LLP
1 More London Place
London

Dear Sirs

Nortel Network UK Pension Plan (the "Scheme"), references FS/2010/0016 and FS/2010/0017

1. Save where a definition is given in the body of this letter, defined terms in this letter shall be construed in accordance with the settlement deed entered into between, inter alia, Nortel Networks UK Limited (in administration), the EMEA Debtors (as defined therein), the Nortel Networks UK Pension Trust Limited as Trustee of the Scheme (the "Trustee") and the Board of the Pension Protection Fund (the "PPF", together with the Trustee, the "UKPI") on or about the date of this letter (the "UKPI Settlement Deed").
2. On 25 June 2010, the Determinations Panel of the Pensions Regulator (the "Regulator") issued a determination notice which provided that FSDs be issued against certain companies in the Nortel Group, inter alia the Applicants (the "Determination Notice").
3. On 23 July 2010, the Determination Notice was referred (the "References") to the Upper Tribunal by the Applicants. The References are currently pending before the Upper Tribunal.
4. The Regulator, the UKPI and the Applicants have agreed to resolve the References:
 - a. in accordance with the terms of the consent order agreed and entered into by the parties on or around 30 September 2016 (the "Consent Order") which is intended to have the effect that the References are permanently stayed subject to two conditions, being the Plan Support Condition and the CVA Failure Event (the "Stay");
 - b. subject to the Regulator providing this letter to the Applicants; and
 - c. subject to certain other conditions set out at clause 2 of the UKPI Settlement Deed.
5. The Regulator hereby confirms that:

- a. in the event that the Plans Effective Date does not occur by 31 August 2017 (or whichever other date may be agreed between the parties to the Settlement and Plans Support Agreement) the stay on the References in respect of all Applicants shall be terminated;
 - b. in the event that a CVA Failure Event (as defined in the UKPI Settlement Deed) occurs in respect of an individual CVA Target, the Stay on the Reference in respect of that individual CVA Target shall be terminated, without prejudice to the Stay on the References in respect of any other Applicant and/or CVA Target in respect of which the Stay on the References shall remain in place;
 - c. whilst the Stay remains in place in respect of any Applicant, the Regulator shall not:
 - i. seek to proceed with, pursue or issue a Financial Support Direction or Contribution Notice under the Pensions Act 2004 based on the facts and matters in any of the following: the Warning Notice dated on or around 11 January 2010; any documents filed or arguments submitted in the proceedings before the Determinations Panel; the Determination Notice; or the Reasons of the Determinations Panel (the "**Relevant Matters**"); or
 - ii. argue for or contend that a Financial Support Direction or Contribution Notice should be proceeded with, pursued or issued based on the Relevant Matters,
(H) against any Applicant or Applicants in respect of whom the Stay remains in place; and
 - d. if the Stay is terminated in respect of any one or more Applicants, then:
 - i. the Stay shall remain in place in respect of any other Applicant or Applicants in relation to whom the Stay has not been terminated (the "**Stayed Applicants**");
 - ii. the References shall not be taken to have been finally disposed of (within the meaning of section 96(5) of the Pensions Act 2004) in respect of the Stayed Applicants; and
 - iii. no Financial Support Direction or Contribution Notice under the Pensions Act 2004 (or other relevant regulatory function) shall be proceeded with, pursued or issued against the Stayed Applicants based on the Relevant Matters and the Regulator shall not argue for or contend that it should be.
 - e. the Stay does not finally dispose of either of the References (within the meaning of section 96(5) of the Pensions Act 2004) in respect of any of the Applicants and the Regulator shall not argue or contend that it does.
6. The terms of this letter shall be construed in accordance with English law.
7. The Regulator confirms that it has reviewed the UKPI Settlement Deed, the Deed of Release and the Settlement and Plans Support Agreement (the "**Settlement Documents**"). The Regulator confirms that it has no objection to the terms of the settlement of the Allocation Dispute.

8. The Regulator agree that the English Courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this letter and accordingly submit to the jurisdiction of the English Courts.

Signed:.....

Dated:.....

For and on behalf of the Respondent
Geoff Cruickshank
Senior Case Management Advisor
The Pensions Regulator
Napier House
Trafalgar Place
Brighton, BN1 4DW
Ref: TM6409

SCHEDULE 1

APPLICANTS

| # | Entity |
|----------|--|
| 16. | Nortel GmbH (in administration) |
| 17. | Nortel Networks S.p.A. (in administration) |
| 18. | Nortel Networks Hispania S.A. (in administration) |
| 19. | Nortel Networks International Finance & Holding B.V. (in administration) |
| 20. | Nortel Networks (Ireland) Limited (in administration) |
| 21. | Nortel Networks (Austria) GmbH (in administration) |
| 22. | Nortel Networks Slovensko S.R.O. (in administration) |
| 23. | Nortel Networks Engineering Service Kft (in administration) |
| 24. | Nortel Networks Portugal S.A. (in administration) |
| 25. | Nortel Networks N.V. (in administration) |
| 26. | Nortel Networks B.V. (in administration) |
| 27. | Nortel Networks Polska Sp. z o.o. (in administration) |
| 28. | Nortel Networks AB (in administration) |
| 29. | Nortel Networks S.R.O. (in administration) |
| 30. | Nortel Networks France SAS (in administration) |
| 31. | Nortel Networks AG |
| 32. | Nortel Networks South Africa (Proprietary) Limited |
| 33. | Northern Telecom France SA |
| 34. | Nortel Networks AS |
| 35. | Nortel Networks S.A. (in administration and in <i>liquidation judiciaire</i>) |

SIGNATORIES

THE EMEA ENTITIES

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS UK LIMITED (IN)
ADMINISTRATION))

by Alan Brown)

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness Thomas Papworth

Name of witness Thomas Papworth

Address of witness

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

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS (IRELAND))
LIMITED (IN ADMINISTRATION))

by _____)

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness

Name of witness

Address of witness

SIGNATORIES

THE EMEA ENTITIES

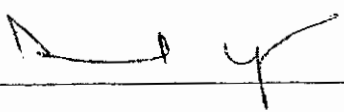
EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS UK LIMITED (IN) _____
ADMINISTRATION))
by _____)

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness

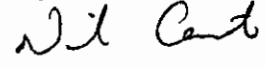
Name of witness

Address of witness

EXECUTED AS A DEED for and on behalf) 
of NORTEL NETWORKS (IRELAND)) _____
LIMITED (IN ADMINISTRATION))
by DAVID HUGHES)

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness



Name of witness

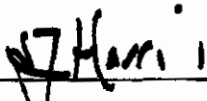
NIAMH CACCIATO

Address of witness

2 GRAND CANAL SQUARE, DUBLIN 2, IRELAND

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS N.V. (IN)
ADMINISTRATION))



by )

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness Thomas Papworth

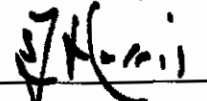
Name of witness Thomas Papworth

Address of witness

**Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG**

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS B.V. (IN)
ADMINISTRATION))



by )

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness Thomas Papworth

Name of witness Thomas Papworth

Address of witness

**Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG**

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS S.p.A. (IN)
ADMINISTRATION))
by [Signature])

[Signature]

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness Thomas Papworth

Name of witness Thomas Papworth

Address of witness

**Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG**

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS POLSKA SP.)
Z.O.O. (IN ADMINISTRATION))
by [Signature])

[Signature]

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness Thomas Papworth

Name of witness Thomas Papworth

Address of witness

**Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG**

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS HISPANIA S.A.)
(IN ADMINISTRATION))

by [Signature])

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness Thomas Papworth

Name of witness Thomas Papworth

Address of witness

**Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG**

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS (AUSTRIA))
GMBH (IN ADMINISTRATION))

by [Signature])

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness Thomas Papworth

Name of witness Thomas Papworth

Address of witness

**Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG**

[Signature]

[Signature]

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS S.R.O. (IN)
ADMINISTRATION))

by _____)

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness *Thomas Papworth*

Name of witness *Thomas Papworth*

Address of witness

**Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG**

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS ENGINEERING)
SERVICE (IN ADMINISTRATION))

by _____)

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness *Thomas Papworth*

Name of witness *Thomas Papworth*

Address of witness

**Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG**

[Handwritten signature]

[Handwritten signature]

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS PORTUGAL)
S.A. (IN ADMINISTRATION))
by [Signature])

[Signature]

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness Thomas Papworth

Name of witness Thomas Papworth

Address of witness

**Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG**

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS SLOVENSKO)
S.R.O. (IN ADMINISTRATION))
by [Signature])

[Signature]

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness Thomas Papworth

Name of witness Thomas Papworth

Address of witness

**Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG**

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS ROMANIA SRL)
(IN ADMINISTRATION))



by _____)

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness *Thomas Papworth*

Name of witness *Thomas Papworth*

Address of witness

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

EXECUTED AS A DEED for and on behalf)
of NORTEL GMBH (IN)
ADMINISTRATION))



by _____)

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness *Thomas Papworth*

Name of witness *Thomas Papworth*

Address of witness

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

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS OY (IN)
ADMINISTRATION)
by [Signature])

[Signature]

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness Thomas Papworth

Name of witness Thomas Papworth

Address of witness

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

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS AB (IN)
ADMINISTRATION)
by [Signature])

[Signature]

as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness Thomas Papworth

Name of witness Thomas Papworth

Address of witness

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

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS)
INTERNATIONAL FINANCE & HOLDING)
B.V. (IN ADMINISTRATION))
by _____)



as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness *Thomas Papworth*

Name of witness *Thomas Papworth*

Address of witness

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

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS FRANCE SAS)
(IN ADMINISTRATION))
by _____)



as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness *Thomas Papworth*


Name of witness *Thomas Papworth*

Address of witness

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

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS S.A. (IN)
ADMINISTRATION AND IN LIQUIDATION)
JUDICIAIRE))



by )

as Joint Administrator (acting as agent and without personal liability) in the presence of:

Signature of witness Thomas Papworth

Name of witness Thomas Papworth

Address of witness

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

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS S.A. (IN)
ADMINISTRATION AND IN LIQUIDATION)
JUDICIAIRE))

by **STEPHEN JONATHAN TAYLOR**)

as Conflict Administrator (acting as agent and without personal liability) in the presence of:

Signature of witness

Name of witness

Address of witness

EXECUTED AS A DEED for and on behalf)
of **NORTEL NETWORKS S.A. (IN**)
ADMINISTRATION AND IN LIQUIDATION)
JUDICIAIRE))
by _____)

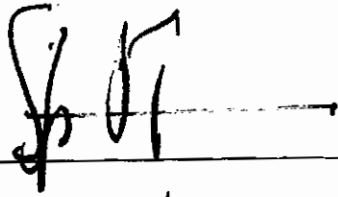
as Joint Administrator (acting as agent and
without personal liability) in the presence
of:

Signature of witness

Name of witness

Address of witness

EXECUTED AS A DEED for and on behalf)
of **NORTEL NETWORKS S.A. (IN**)
ADMINISTRATION AND IN LIQUIDATION)
JUDICIAIRE))
by **STEPHEN JONATHAN TAYLOR**)



as Conflict Administrator (acting as agent
and without personal liability) in the
presence of:

Signature of witness

Chris Walker

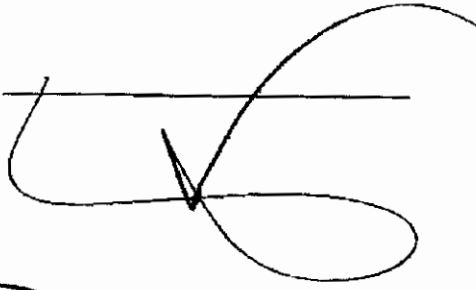
Name of witness

DWC MOLLON

Address of witness

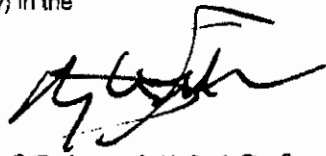
19 ST. MARTIN'S ROAD
LONDON SW9 0SP

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS S.A. (IN)
ADMINISTRATION AND IN LIQUIDATION)
JUDICIAIRE))
by MAÎTRE COSME ROGEAU)



as *Liquidateur Judiciaire* (acting as agent
and without personal liability) in the
presence of:

Signature of witness



Name of witness

RASEEV JHANDA FOUER. PARTNER

Address of witness

FTPA - 1 BIS AVENUE FOCH
75116 PARIS

EXECUTED AS A DEED)
by _____) _____
duly authorised for and on behalf of)
NORTEL NETWORKS AG in the presence)
of:

Signature of witness

Name of witness

Address of witness

EXECUTED AS A DEED for and on behalf)
of NORTEL NETWORKS S.A. (IN)
ADMINISTRATION AND IN LIQUIDATION)
JUDICIAIRE))
by MAÎTRE COSME ROGEAU)

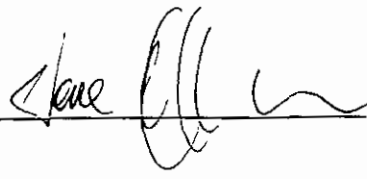
as *Liquidateur Judiciaire* (acting as agent
and without personal liability) in the
presence of:

Signature of witness

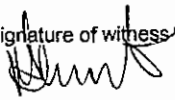
Name of witness

Address of witness

EXECUTED AS A DEED)
by DAVID QUANE (Director))
duly authorised for and on behalf of)
NORTEL NETWORKS AG in the presence)
of:



Signature of witness



Name of witness

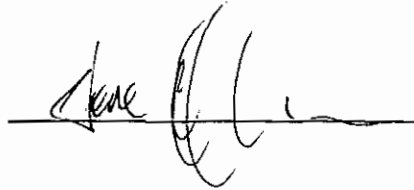
GERARD STANTON

Address of witness

19 CASHELMURR
GALWAY IRELAND

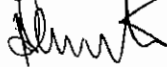
EXECUTED AS A DEED

by DAVE QUANE (DIRECTOR))

) 

duly authorised for and on behalf of
NORTEL NETWORKS AS in the presence
of:

Signature of witness



Name of witness

GERARD STANTON

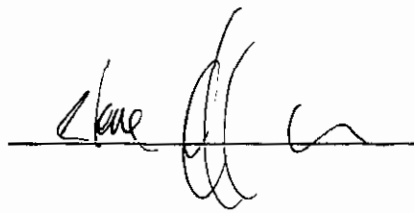
Address of witness

19 CASTLEMAURA

GALWAY IRELAND

EXECUTED AS A DEED

by DAVE QUANE (DIRECTOR))

) 

duly authorised for and on behalf of
**NORTEL NETWORKS SOUTH AFRICA
(PTY) LIMITED** in the presence of:

Signature of witness



Name of witness

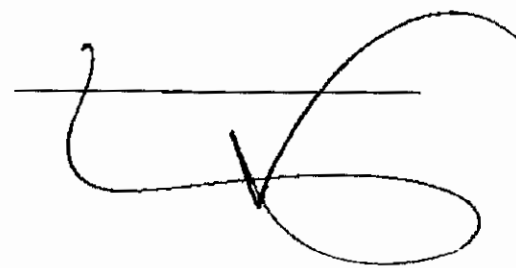
GERARD STANTON

Address of witness

19, CASTLEMAURA

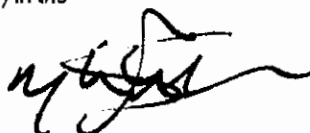
GALWAY IRELAND

EXECUTED AS A DEED for and on behalf)
of NORTHERN TELECOM FRANCE S.A.)
(IN LIQUIDATION AMIABLE))
by MAÎTRE COSME ROGEAU)



as *Liquidateur Amiable* (acting as agent
and without personal liability) in the
presence of:

Signature of witness



Name of witness RASEEV JHAMMA FOU CER - PARTNER

Address of witness FTBA 1 BIX AVENUE FOCH
75116 PARIS - FRANCE

THE JOINT ADMINISTRATORS

EXECUTED AS A DEED)
by _____) _____

in his own capacity and on behalf of the
Joint Administrators without personal
liability and solely for the purpose of
obtaining the benefit of the provisions of
this Deed expressed to be conferred on or
given to the Joint Administrators in the
presence of:

Signature of witness

Name of witness

Address of witness

EXECUTED AS A DEED for and on behalf)
of NORTHERN TELECOM FRANCE S.A.)
(IN LIQUIDATION AMIABLE))

by MAÎTRE COSME ROGEAU)

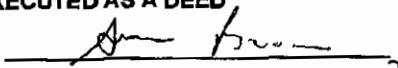
as *Liquidateur Amiable* (acting as agent
and without personal liability) in the
presence of:

Signature of witness

Name of witness


Address of witness

THE JOINT ADMINISTRATORS

EXECUTED AS A DEED)
by )



in his own capacity and on behalf of the
Joint Administrators without personal
liability and solely for the purpose of
obtaining the benefit of the provisions of
this Deed expressed to be conferred on or
given to the Joint Administrators in the
presence of:

Signature of witness 

Name of witness *Thomas Papworth*

Address of witness


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

THE CONFLICT ADMINISTRATOR

EXECUTED AS A DEED

by **STEPHEN JONATHAN TAYLOR**

as Conflict Administrator of Nortel Networks S.A. (in administration and in *liquidation judiciaire*) (acting as agent and without personal liability) in the presence of:

)
) 
) _____

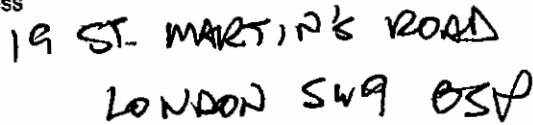
Signature of witness



Name of witness



Address of witness



THE LIQUIDATEUR JUDICIAIRE

EXECUTED AS A DEED

by **MAÎTRE COSME ROGEAU**

as *Liquidateur Judiciaire* of Nortel Networks S.A. (in administration and in *liquidation judiciaire*) (acting as agent and without personal liability) in the presence of:

)
) _____

Signature of witness

Name of witness

Address of witness

THE CONFLICT ADMINISTRATOR

EXECUTED AS A DEED)

by **STEPHEN JONATHAN TAYLOR**) _____

as Conflict Administrator of Nortel Networks S.A. (in administration and in *liquidation judiciaire*) (acting as agent and without personal liability) in the presence of:

Signature of witness

Name of witness

Address of witness

THE LIQUIDATEUR JUDICIAIRE

EXECUTED AS A DEED)

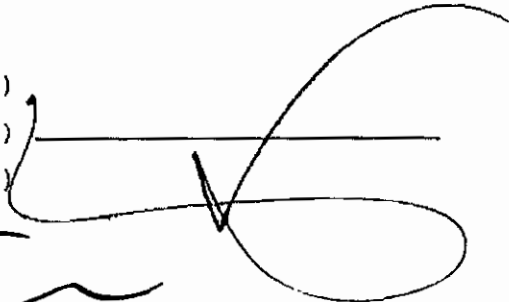
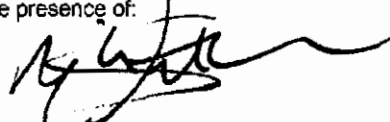
by **MAÎTRE COSME ROGEAU**) _____

as *Liquidateur Judiciaire* of Nortel Networks S.A. (in administration and in *liquidation judiciaire*) (acting as agent and without personal liability) in the presence of:

Signature of witness

Name of witness

Address of witness

RASEEV SHARMA FOUNDER - PARTNER

FTPA 1 Bx AVENUE FOCH
75116 PARIS FRANCE

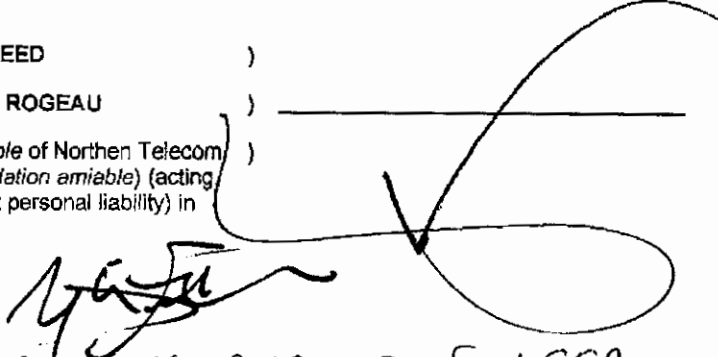
THE LIQUIDATEUR AMIABLE

EXECUTED AS A DEED)

by **MAÎTRE COSME ROGEAU**)

as *Liquidateur Amiable* of Northen Telecom)
France S.A. (in *liquidation amiable*) (acting)
as agent and without personal liability) in)
the presence of:

Signature of witness



Name of witness

RASEEV SHARMA FOKER - PARTNER

Address of witness

FTPA - 1 BIX AVENUE FOCH
75 116 PARIS - FRANCE

THE TRUSTEE

EXECUTED AS A DEED)

by _____)

for and on behalf of **NORTEL NETWORKS**)
UK PENSION TRUST LIMITED as trustee)
of **NORTEL NETWORKS UK PENSION**)
PLAN in the presence of:

Signature of witness

Name of witness

Address of witness

THE LIQUIDATEUR AMIABLE

EXECUTED AS A DEED)

by MAÎTRE COSME ROGEAU) _____

as *Liquidateur Amiable* of Northern Telecom
France S.A. (in *liquidation amiable*) (acting
as agent and without personal liability) in
the presence of:

Signature of witness

Name of witness

Address of witness

THE TRUSTEE

EXECUTED AS A DEED)

by DAVID DAVIES) 

for and on behalf of NORTEL NETWORKS
UK PENSION TRUST LIMITED as trustee
of NORTEL NETWORKS UK PENSION
PLAN in the presence of:

Signature of witness



Name of witness

PAUL STANBURY

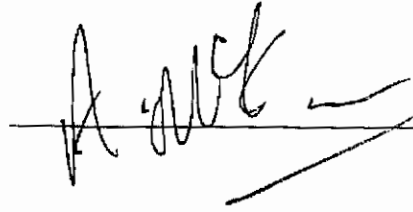
Address of witness

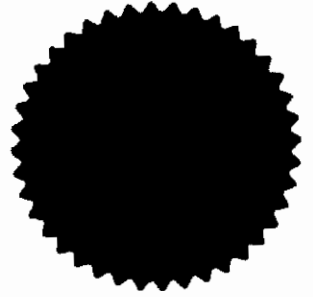
10 SHAW HILL
LONDON BR1 4AL

THE PPF

EXECUTED AS A DEED and
delivered when dated, by affixing the
common seal of

THE BOARD OF THE PENSION
PROTECTION FUND

 [Common seal]



in the presence of:

signature

Authorised
Signatory

Andrew McKinnon

print name

Chief Financial Officer