

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) MONDAY, THE 7th
JUSTICE MORAWETZ) DAY OF MAY, 2012

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NORTEL
NETWORKS CORPORATION, NORTEL NETWORKS LIMITED, NORTEL NETWORKS
GLOBAL CORPORATION, NORTEL NETWORKS INTERNATIONAL CORPORATION AND
NORTEL NETWORKS TECHNOLOGY CORPORATION**

**APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**



**APPROVAL AND VESTING ORDER
(IP Address Sale – Vodafone Americas Inc.)**

THIS MOTION, made by Nortel Networks Corporation (“NNC”), Nortel Networks Limited (“NNL”), Nortel Networks Technology Corporation (“NNTC”), Nortel Networks International Corporation and Nortel Networks Global Corporation (collectively, the “Applicants”) for an order approving the sale transaction (the “Transaction”) contemplated by a sale agreement dated as of February 9, 2012 (as amended on February 28, 2012, the “Sale Agreement”) among Vodafone Americas Inc. (the “Purchaser”), as buyer, and NNL and NNTC, as seller, in respect of the sale of the Seller’s Rights in and to the Legacy Number Blocks (each as defined in the Sale Agreement), and vesting in the Purchaser the Seller’s Rights in the Legacy Number Blocks was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Eighty-Fifth Report (the “Report”) of Ernst & Young Inc. in its capacity as court-appointed Monitor (the “Monitor”), the Affidavit of Anna Ventresca, sworn May 1, 2012, and on hearing the submissions of counsel for the Applicants and for the Monitor and those other parties present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Catherine Ma sworn May 3, 2012 and filed:

1 THIS COURT ORDERS that the time for the service of the Notice of Motion, the Report and the Motion Record is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2 THIS COURT ORDERS that capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Report or the Sale Agreement as applicable.

3 THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved. The execution of the Sale Agreement and any ancillary documents by the Applicants party thereto is hereby authorized and approved, and the Applicants and the Monitor are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Seller's Rights in and to the Legacy Number Blocks to the Purchaser.

4 THIS COURT ORDERS that NNL and NNTC are authorized and directed to perform their obligations under the Sale Agreement and any ancillary documents related thereto.

5 THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Monitor's Certificate"), all of the Seller's Rights in and to the Legacy Number Blocks shall vest absolutely in the Purchaser, free and clear of and from: (a) any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, pledges, deeds of trust, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (statutory or otherwise), executions, levies, charges, or other financial or monetary claims, encumbrances, conditional sale arrangements or other similar restrictions of any kind, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, options, rights of use, rights of first offer or first refusal, beneficial interests or entitlements and claims of equity security holders (collectively, the "Claims"), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Morawetz dated January 14, 2009 (as amended and restated) or any subsequent Order of the Court in the within proceedings; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (b) the NNI Interests (as defined below). For greater certainty, this Court orders that all of the Claims and the NNI Interests affecting or relating to the Seller's Rights in and to the Legacy Number Blocks are hereby expunged and discharged as against the Legacy Number Blocks.

6 THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims and the NNI Interests, the proceeds from the Transaction received by the Applicants (the "Sale Proceeds") shall stand in the place and stead of the Seller's Rights and/or the Legacy Number Blocks, and that from and after the delivery of the Monitor's Certificate all Claims and the NNI Interests shall attach exclusively to the Sale Proceeds in the same manner and with the same priority as they had with respect to the Seller's Rights and/or the Legacy Number Blocks immediately prior to the sale, as if the Transaction had not been consummated.

7 THIS COURT ORDERS that, subject to paragraphs 5 and 6 hereof: (i) this Order and the Transaction documents are without prejudice to the rights and claims, if any, of Nortel Networks Inc. and the other U.S. Debtors in the chapter 11 cases pending before the U.S. Bankruptcy Court for the District of Delaware (the "U.S. Court") lead case number 09-10138 (KG) (collectively, the "U.S. Debtors") in and to the Legacy Number Blocks (collectively, the "NNI Interests"); and (ii) nothing in this Order or the Transaction documents is intended to affect or determine such NNI Interests.

8 THIS COURT ORDERS that the Applicants shall deposit the Sale Proceeds forthwith upon receipt thereof into a single purpose bank account in the name of NNL to be established prior to the closing of the Transaction, which bank account shall hold only such Sale Proceeds and interest earned thereon together with other sale proceeds of IP address transactions and interest thereon, and that the funds in such account shall not be used to fund ongoing operations, or for any purpose other than for distributions to creditors generally, provided, however, subject to the terms of paragraph 9 below, that distributions shall not be made without the prior approval of this Honourable Court on notice to the Service List.

9 THIS COURT ORDERS that the resolution of any dispute relating to the NNI Interests including NNI's right, if any, to an allocation of the Sale Proceeds shall be the subject of a joint hearing of this Honourable Court and the U.S. Court conducted pursuant to the Cross-Border Insolvency Protocol and prior to any distribution of the Sale Proceeds, and if appropriate after such joint hearing, distributions of the Sale Proceeds shall be made only after Orders of both this Honourable Court and the U.S. Court approving such distributions.

10 THIS COURT ORDERS that the Applicants are hereby authorized to execute any agreements, instruments, applications, consents, or other documents that may be necessary or appropriate to effectuate the Transaction subject to the consent of the Monitor.

11 THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

12 THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicants and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicants;

the provisions of the Transaction documents and the vesting of the Seller's Rights in the Legacy Number Blocks in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute oppressive conduct nor constitute or be deemed to be a preference, fraudulent conveyance, transfer at undervalue, or other challengeable or voidable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

13 THIS COURT ORDERS that the Sale Agreement and any ancillary documents related thereto shall not be repudiated, disclaimed or otherwise compromised in these proceedings.

14 THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

15 THIS COURT ORDERS that confidential appendices "A" and "B" to the Report be and is hereby sealed pending further Order of the Court.

16 THIS COURT ORDERS, as agreed between the American Registry for Internet Numbers ("ARIN") and the Purchaser, from and after the Closing, the Purchaser's interest in the Legacy Number Blocks shall be subject to the terms and conditions agreed to by ARIN and the Purchaser, including applicable ARIN policies as published on its website.

17 THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the United Kingdom or elsewhere, to give effect to this Order and to assist the Applicants, the Monitor and

their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

18 THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



MAY 07 2012

Schedule A – Form of Monitor’s Certificate

Court File No. 09-CL-7950

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

**IN THE MATTER OF THE *COMPANIES’ CREDITORS ARRANGEMENT ACT*,
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**MONITOR’S CERTIFICATE
(IP Address Sale – Vodafone Americas Inc.)**

RECITALS

A. Pursuant to an Order of the Honourable Justice Morawetz of the Ontario Superior Court of Justice (the “Court”) dated January 14, 2009 (as amended and restated), Nortel Networks Corporation (“NNC”), Nortel Networks Limited (“NNL”), Nortel Networks Technology Company (“NNTC”) and certain of their Canadian affiliates (collectively, the “Applicants”) commenced proceedings pursuant to the *Companies’ Creditors Arrangement Act* (Canada) and Ernst & Young Inc. was appointed as monitor (the “Monitor”) in those proceedings.

B. Pursuant to an Order of the Court dated ●, 2012 (the “Approval and Vesting Order”), the Court approved a sale agreement dated as of February 9, 2012 (the “Sale Agreement”) among Vodafone Americas Inc. (the “Purchaser”), as buyer, and NNL and NNTC, as seller, in respect of the Seller’s Rights in and to the Legacy Number Blocks and provided for the vesting in the Purchaser of the Seller’s Rights in and to the Legacy Number Blocks, which vesting is to be effective upon the delivery by the Monitor to the Purchaser of a certificate confirming receipt of confirmation from NNL, NNTC and, as applicable, the Purchaser that (i) the Purchaser has paid the Purchase Price as set out in the Sale Agreement; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Seller and/or the Purchaser, as

applicable; and (iii) the Transaction (as defined in the Approval and Vesting Order) has been completed to the satisfaction of the Seller and the Purchaser.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. NNTC and NNL have advised the Monitor that the Purchaser has paid the Purchase Price payable on the Closing Date pursuant to the Sale Agreement;
2. NNTC, NNL and the Purchaser have advised the Monitor that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Seller and/or the Purchaser, as applicable; and
3. NNTC, NNL and the Purchaser have advised the Monitor that the Transaction has been completed to the satisfaction of the Seller and the Purchaser.

This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

**ERNST & YOUNG INC. in its capacity as
monitor in the Applicants' CCAA
proceedings and not in its personal
capacity**

Per: _____
Name:
Title:

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NORTEL
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Court File No: 09-CL-7950

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Proceeding commenced at Toronto

**APPROVAL AND VESTING ORDER
(IP ADDRESS SALE – VODAFONE AMERICAS
INC.)**

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