

# 2003 BCSECCOM 31

## Headnote

Issuer exempt from the requirements in the *Company Act* relating to trust indentures

## Exemption Order

### Nortel Networks Corporation and Nortel Networks Limited

#### Section 87 of the *Company Act*, R.S.B.C. 1996, c. 62

## Background

- ¶ 1 Nortel Networks Corporation (Nortel) and Nortel Networks Limited (NNL) have applied for an exemption from sections 86 to 97 of the *Company Act*;

## Representations

- ¶ 2 Nortel and NNL represent that:
1. Nortel is a corporation incorporated under the *Canada Business Corporations Act* (CBCA), is a reporting issuer under the *Securities Act* (British Columbia) and is not in default of any requirement of the Securities Act or the *Securities Rules*, B.C. Reg. 194/97;
  2. NNL is a corporation incorporated under the CBCA, is a subsidiary of Nortel, is a reporting issuer under the Securities Act and is not in default of any requirement of the Securities Act or the Securities Rules;
  3. they filed a shelf registration statement on Form S-3 in respect of a prospectus dated May 30, 2002 with the US Securities and Exchange Commission;
  4. they filed an unallocated base shelf prospectus dated May 29, 2002 with the securities regulatory authorities in Canada;
  5. as at the date hereof, they may offer securities, including debt securities, of up to an aggregate offering price of US\$0.8 billion in the United States and Canada from time to time under the shelf registration statement in the United States and under the base shelf prospectus in Canada, as supplemented in each case by one or more prospectus supplements;
  6. Nortel may offer senior and subordinated debt securities, which may be bonds, debentures, notes or other evidences of indebtedness or guarantees of Nortel;

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7. NNL may offer senior and subordinated debt securities (guaranteed by Nortel), which may be bonds, debentures, notes or other evidences of indebtedness of NNL;
8. the debt securities will be issued under various trust indentures governed by the laws of the State of New York and the *Trust Indenture Act of 1939* (United States), which contains provisions that are substantially similar to the provisions of sections 86 to 97 of the Act;
9. the trustees under the trust indentures will be either Deutsche Bank Trust Company Americas or HSBC Bank USA;
10. Deutsche Bank Trust Company Americas is a banking corporation organized under the laws of the State of New York;
11. HSBC Bank USA is a banking corporation and trust company organized under the laws of the State of New York;
12. any issuance of debt securities will comply with the applicable laws of the jurisdiction in which they are being issued; and
13. the Deputy Director under the CBCA issued orders on December 6, 2002 exempting Nortel and NNL from the trust indenture provisions of Part VIII of the CBCA in connection with the offering.

### **Order**

- ¶ 3 Because it is not prejudicial to the public interest, the Executive Director orders under subsection 87(2) of the Act that sections 86 to 97 of the Act do not apply to the trust indentures, provided that each trust indenture complies in all material respects with the provisions of the *Trust Indenture Act of 1939 (United States)* that are substantially similar to the provisions of sections 86 to 97 of the Act.

- ¶ 4 January 7, 2003

Derek E. Patterson  
Manager