Disclaimer

This is a summary of the benefits available to eligible occupational employees under the Lucent Pension Program (LPP) provisions of the Alcatel-Lucent Retirement Income Plan (Pension Plan). The LPP was created as a spinoff from the Lucent Technologies Inc. Pension Plan (LTPP), effective December 1, 2010. To the extent that this SPD refers to dates, events, agreements, elections or designations before December 1, 2010, such dates, events, agreements, elections or designations shall be recognized as if the LPP were in existence at the applicable time. Benefits for eligible occupational employees who terminated employment prior to December 1, 2010, are governed by the terms of the LTPP in effect as of their termination of employment. Occupational employees who are not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers and who retire on or after December 1, 2010 will be transferred from the Lucent Technologies Inc. Retirement Plan (LTRP) to the LPP. Benefits for eligible occupational employees who terminated employment on or after December 1, 2010, are governed by the terms of the LTRP in effect as of their termination of employment.

This summary is provided for informational purposes only and is intended to comply with Department of Labor requirements for Summary Plan Descriptions (“SPDs”). More detailed information about the LPP is provided in the official Pension Plan document, a copy of which can be obtained by writing to the Pension Plan Administrator (see “Important Contacts” and “Other Important Information”). If there is any conflict between the information in this SPD and the Pension Plan document, the Pension Plan document will govern.

Pension Plan May Be Amended or Terminated

The Company expects to continue the Pension Plan but reserves the right to amend or terminate the Pension Plan, in whole or in part, at any time by the resolution of the Board of Directors or its properly authorized designee, subject to the terms of applicable collective bargaining agreements.

Questions regarding your benefits should be addressed as indicated in this SPD (see “Important Contacts”). Because of the many detailed provisions of the Pension Plan, no one other than the personnel or entities identified in this SPD (see “Important Contacts”) is authorized to advise you as to your benefits. Neither the Company nor the Pension Plan can be bound by statements made by unauthorized personnel or entities. In the event of a conflict between any verbal information provided to you by an authorized resource and information in the official Pension Plan documents, the Pension Plan documents will govern.
Alcatel-Lucent Retirement Income Plan
Lucent Pension Program

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This SPD describes the Lucent Pension Program provisions of the Alcatel-Lucent Retirement Income Plan as of December 1, 2010. More detailed information is provided in the official Pension Plan documents which are controlling.
This SPD describes the Lucent Pension Program provisions of the Alcatel-Lucent Retirement Income Plan as of December 1, 2010. More detailed information is provided in the official Pension Plan documents which are controlling.
INTRODUCTION

Here is your summary of the key features of the Lucent Pension Program (LPP) of the Alcatel-Lucent Retirement Income Plan (Pension Plan). Certain words and phrases have a specific meaning under the Pension Plan. These terms are capitalized whenever they appear to let you know that they are defined in the Section labeled “Terms You Should Know”.

The Pension Plan is an important part of your financial security. It can provide a source of continuing income during your retirement years, and it may provide survivor benefits to your eligible Lawful Spouse or other named beneficiary in certain specified instances. The Pension Plan is provided at no cost to you.

The LPP covers participants who transferred from the Lucent Technologies Inc. Pension Plan (LTTP) or the Lucent Technologies Inc. Retirement Plan (LTRP). Your pension benefit upon termination of employment was calculated under the terms of the LTTP or the LTRP in effect at that time and was transferred to the LPP portion of this Pension Plan.

If you were receiving monthly payments from the LTTP when your pension benefit was transferred on December 1, 2010, the payments continued uninterrupted from this Pension Plan. This SPD will assist you with understanding survivor benefits that may be payable upon your death, as well as providing Important Contacts and Other Important Information.

If you have not yet commenced payment of your pension benefit, the transfer will not affect the amount of your pension benefit or the distribution options available to you. This SPD will assist you with understanding how pension benefits are paid, the payment methods available, survivor benefits that may be payable upon your death, and how to calculate your benefit for early commencement or survivor annuities. In addition, this SPD provides Important Contacts and Other Important Information.
Here is a summary of the key features of the Lucent Pension Program (LPP) of the Pension Plan.

<table>
<thead>
<tr>
<th>Lucent Pension Program Feature</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation</td>
<td>You became a Participant in the Pension Plan effective December 1, 2010 (the day the LPP was created as a spinoff from the Lucent Technologies Inc. Pension Plan (LTPP)) if on November 30, 2010 you were a participant in the LTPP and if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers. In addition, you became a Participant in the Pension Plan effective on the day following your termination of employment if you terminated employment from the Lucent Technologies Inc. Retirement Plan (LTRP) on or after December 1, 2010 and were eligible for a Service Pension or Disability Pension, and if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers. If you are eligible, you may also be covered by the sickness death benefit provisions of the Pension Plan.</td>
</tr>
<tr>
<td>Cost</td>
<td>Alcatel-Lucent USA Inc. pays the entire cost of the Pension Plan. There is no cost to you.</td>
</tr>
<tr>
<td>Vesting</td>
<td>“Vesting” refers to earning a nonforfeitable right to your Pension Plan benefit. Generally, you are Vested after you complete five years of Vesting Service. You also are Vested under the Pension Plan if your benefit under the LTPP became fully Vested by reason of a transfer of excess pension assets. If you were transferred from the LTPP to this Pension Plan on December 1, 2010, all of your Vesting Service under the LTPP is treated as Vesting Service under the Pension Plan. If you were transferred from the LTRP to this Pension Plan on or after December 1, 2010, all of your Vesting Service under the LTRP is treated as Vesting Service under the Pension Plan.</td>
</tr>
</tbody>
</table>
The Pension Plan provides three kinds of pensions to Participants:

- A Service Pension if you left a Controlled Group Company after meeting certain minimum age and Net Credited Service (NCS) requirements,
- A Disability Pension if you are unable to work due to disability and completed at least 15 years of NCS, and
- A Deferred Vested Pension, if you left a Controlled Group Company after you become Vested and you are not eligible to receive a Service or Disability Pension.

Call the Pension Service Center (PSC) at 1-866-429-5764 for information about the Pension Plan and to initiate payment of your pension benefits. You can also reach the PSC by regular mail as follows:

Alcatel-Lucent Pension Service Center
PO Box 57576
Jacksonville, FL 32241-7576

You can access the Pension Service Center website at [http://alcatel-lucent.ingplans.com](http://alcatel-lucent.ingplans.com)
PARTICIPATING IN THE PENSION PLAN

WHEN PARTICIPATION BEGAN

You became a Participant in the Pension Plan effective December 1, 2010 (the day the Lucent Pension Program (LPP) was created as a spinoff from the Lucent Technologies Inc. Pension Plan (LTTP)) if on November 30, 2010 you were a participant in the LTTP and if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers. In addition, you became a Participant in the Pension Plan effective on the day following your termination of employment if you terminated employment from the Lucent Technologies Inc. Retirement Plan on or after December 1, 2010 and were eligible for a Service Pension or Disability Pension, and if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers.

You automatically became a Participant in the Pension Plan when you met the above requirements. You did not need to enroll.

COST

Alcatel-Lucent USA Inc. pays the full cost of providing your pension. There is no cost to you.
ELIGIBILITY FOR PENSION BENEFITS

The Pension Plan provides three kinds of pensions:

- A Service Pension,
- A Deferred Vested Pension, or
- A Disability Pension.

This section describes the types of pension you might be eligible to receive and when benefits are paid depending on how and when you terminated employment with the Company. The type of pension for which you qualify determines the amount of any reduction in your pension payments if you commence your benefits early.

SERVICE PENSION

You were eligible to retire with a Service Pension at any time after you met the following minimum age and Service requirements:

<table>
<thead>
<tr>
<th>Your Age Is At Least</th>
<th>AND</th>
<th>Your NCS Is At Least</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Any age</td>
<td>30 years</td>
</tr>
<tr>
<td></td>
<td>50</td>
<td>25 years</td>
</tr>
<tr>
<td></td>
<td>55</td>
<td>20 years</td>
</tr>
<tr>
<td></td>
<td>65</td>
<td>10 years</td>
</tr>
</tbody>
</table>

You must meet both the age and Service requirements for a Service Pension. The fact that your age and Net Credited Service add up to 75 or more does not entitle you to a Service Pension. For example, if you are age 51 and have 24 years of Service, you are not eligible for a Service Pension.

If You Retired After Age 55

If you terminated employment (other than because of disability) after attaining age 55 and are entitled to a Service Pension, there is no reduction for early retirement in the amount of your pension.
If You Retired Before Age 55

If you terminated employment (other than because of disability) before age 55 and are entitled to a Service Pension, and you have less than 30 years of Net Credited Service, your pension will be permanently discounted by one-half percent for each full or partial month by which your Benefit Commencement Date precedes the date that you attain age 55. This discount is equal to no more than 6% a year for each year your pension is in effect before age 55. If you have 30 years of Net Credited Service when you terminated employment, there is no reduction for early retirement in the amount of your pension.

DEFERRED VESTED PENSION

You are eligible for a Deferred Vested Pension if you left the Company after becoming Vested, provided you were not eligible for a Service Pension or Disability Pension.

If you are among the group of Certain Other Union Employees:

- Your Deferred Vested Pension will begin as of the later of the date you attain age 65 or terminate employment, in which case, no reduction will be made to your pension because of your age at the time payments start.

- If you have at least 20 years of NCS, you may elect to receive your Deferred Vested Pension payments before age 65 as shown in the following chart.

<table>
<thead>
<tr>
<th>If Your Net Credited Service Is</th>
<th>Your Deferred Vested Pension Can Begin On or After</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least 20 years</td>
<td>Age 55</td>
</tr>
<tr>
<td>25 years or more</td>
<td>Age 50</td>
</tr>
</tbody>
</table>

*If payments begin before age 65, your benefit is reduced by an actuarial factor that takes into account your age when your payments start. (See “Appendix A: Deferred Vested Pension Early Payment Percentages”.)

If you are among the group of Certain BTA/LBA Employees:

- You may receive your Deferred Vested Pension starting at age 65, in which case, no reduction will be made to your pension because of your age at the time payments start.
• You may receive your Deferred Vested Pension at any time before age 65, but your benefit will be reduced by an actuarial factor that takes into account your age when your payments start. (See “Appendix A: Deferred Vested Pension Early Payment Percentages”.)

DISABILITY PENSION

You were eligible to terminate employment with a Disability Pension if:

• You completed at least 15 years of Net Credited Service, and

• You were Totally Disabled due to an illness or an injury that is not job related (you were considered Totally Disabled if the Pension Plan determined that your disability prevents you from returning to work for a Participating Company or a non-participating Controlled Group Company), and

• You terminated from the payroll due to your continued Total Disability (i) after receiving 52 weeks of sickness disability benefits from the Alcatel-Lucent Sickness and Accident Disability Benefit Plan; or (ii) after receiving 26 weeks of disability benefits under the Alcatel-Lucent Short Term Disability Plan if you were a Business and Technical Associate (or Lucent Business Assistant).

If you met these requirements and were also eligible to receive a Service Pension, you receive a Service Pension Due to Disability and not a Disability Pension.

You are not eligible to receive a Disability Pension while you are receiving accident disability benefits under the Alcatel-Lucent Sickness and Accident Disability Benefit Plan.

If you are eligible for workers’ compensation benefits or other payments under a similar law, the amount of the benefit you receive as a Disability Pension under the Pension Plan will be reduced by the amount of the benefit you receive from those other sources for the same disability.

There is no reduction for early retirement for a Disability Pension or a Service Pension Due to Disability.

This SPD describes the Lucent Pension Program provisions of the Alcatel-Lucent Retirement Income Plan as of December 1, 2010. More detailed information is provided in the official Pension Plan documents which are controlling.
PENSION BENEFITS PAYABLE FOLLOWING YOUR DEATH

IF YOU DIE WHILE ACTIVELY EMPLOYED

Generally, the Lucent Pension Program (LPP) does not have active employees.

If you are rehired after you transferred to the LPP and you continue to participate in this Pension Plan, this Pension Plan provides an automatic survivor annuity that pays a lifetime income to your eligible Lawful Spouse if you die as an active employee after you become eligible for a Deferred Vested Pension.

If you have at least 15 years of NCS or you are eligible for a Service Pension when you die, your Lawful Spouse will receive 50% of the reduced benefit you would have received payable as a monthly annuity had you retired on the date of your death with a Service Pension. There is no discount for early retirement. The annuity for your Lawful Spouse begins as of the day after your death.

If you are eligible for a Deferred Vested Pension but you have fewer than 15 years of NCS at the time of your death, your Lawful Spouse must have been married to you throughout the one-year period immediately before your death to be eligible for this benefit. If your Lawful Spouse meets the one-year marriage requirement, your Lawful Spouse is entitled to a 50% survivor annuity and has a choice of the following payment options:

- A Lump Sum payment of the present value of the survivor annuity benefit that would have been payable at your age 65 or your date of death, if your date of death is after age 65,

- An immediately payable monthly survivor annuity benefit reduced for each year it starts before you would have reached age 65 as well as for the cost of survivor annuity coverage, or
● Defer commencement of the survivor annuity. Your Lawful Spouse may begin the survivor annuity any time before the date you would have reached age 65. The survivor annuity will be reduced for each year it starts before such date as well as for the cost of survivor annuity coverage.

No benefit will be paid if you are not Vested when you die and/or have no Lawful Spouse.

In case of your death, a family member or friend should notify your supervisor or the Pension Service Center as soon as possible.

IF YOU DIE AFTER LEAVING THE COMPANY BUT BEFORE BEGINNING YOUR SERVICE PENSION OR DISABILITY PENSION

If you were entitled to a Service Pension or Disability Pension when you left the Company and die before your pension begins, your Lawful Spouse is covered by a Preretirement Survivor Annuity.

To qualify for this annuity, your Lawful Spouse must be legally married to you on your date of death.

Your eligible Lawful Spouse will receive 50% of the reduced benefit you would have received under the Joint and 50% Survivor Annuity payment method had you begun your pension on the day you died. The benefit amount your Lawful Spouse receives is subject to an early commencement discount based on your age when you die and your NCS on your last day on the active payroll.

No benefits will be paid if you are not legally married at the time of your death.

If you made a valid election to commence a Joint and 75% Survivor Annuity or Joint and 100% Survivor Annuity and die before your pension begins, the 75% or 100% survivor annuity, as elected, shall be substituted for the 50% survivor annuity.
IF YOU DIE AFTER LEAVING THE COMPANY BUT BEFORE BEGINNING YOUR DEFERRED VESTED PENSION

If you were entitled to a Deferred Vested Pension when you left the Company, and die before your pension begins, your Lawful Spouse is covered by a Preretirement Survivor Annuity.

To qualify for this annuity, your Lawful Spouse must be legally married to you throughout the one-year period immediately before your death.

Your eligible Lawful Spouse will receive 50% of the reduced benefit you would have received if:

- You lived to the date your Deferred Vested Pension began,
- You elected to receive your Deferred Vested Pension with a Joint and 50% Survivor Annuity, and
- You died the next day.

No benefits will be paid if you are not legally married throughout the one-year period before your death.

If you made a valid election to commence a Joint and 75% Survivor Annuity and die before your pension begins, the 75% survivor annuity shall be substituted for the 50% survivor annuity.

Certain Other Union Employees: Payments to your Lawful Spouse can begin any time from the earliest date you would have been eligible to begin your Deferred Vested Pension up to the date you would have reached age 65.

Certain BTA/LBA Employees: Payments to your Lawful Spouse can begin any time after you die up to the date you would have reached age 65.

IF YOU DIE AFTER YOUR SERVICE PENSION OR DISABILITY PENSION STARTS

If you are receiving pension benefits under the Single Life Annuity, payments end on the last calendar day of the month of your death.
If you are receiving pension benefits under the Joint and 50% Survivor Annuity, upon your death your eligible Lawful Spouse who was married to you on the date your pension began will receive 50% of the reduced monthly benefit for life. Payments to your eligible Lawful Spouse will begin on the first calendar day of the month immediately following your date of death.

If you are receiving pension benefits under the Joint and 75% Survivor Annuity, upon your death your eligible Lawful Spouse who was married to you on the date your pension began will receive 75% of the reduced monthly benefit for life. Payments to your eligible Lawful Spouse will begin on the first calendar day of the month immediately following your date of death.

If you are receiving pension benefits under the Joint and 100% Survivor Annuity, upon your death your eligible Lawful Spouse who was married to you on the date your pension began will receive 100% of the reduced monthly benefit for life. Payments to your eligible Lawful Spouse will begin on the first calendar day of the month immediately following your date of death.

If you are receiving pension benefits under the 10-Year Certain Annuity, your designated beneficiary or estate will receive any remaining guaranteed payments after your death. Payment will stop after the last guaranteed payment is made.

**IF YOU DIE AFTER YOUR DEFERRED VESTED PENSION STARTS**

If you are receiving pension benefits under the Single Life Annuity, payments end on the last calendar day of the month of your death.

If you are receiving pension benefits under the Joint and 50% Survivor Annuity, upon your death your eligible Lawful Spouse who was married to you on the date your pension began will receive 50% of the reduced monthly benefit for life. Payments to your eligible Lawful Spouse will begin on the first calendar day of the month immediately following your date of death.

If you are receiving pension benefits under the Joint and 75% Survivor Annuity, upon your death your eligible Lawful Spouse who was married to you on the date your pension began will receive 75% of the reduced monthly benefit for life. Payments to your eligible Lawful Spouse will begin on the first calendar day of the month immediately following your date of death.
SICKNESS DEATH BENEFITS

In addition to any survivor annuity benefit that may be paid under the Pension Plan, the Pension Plan also provides sickness death benefits to qualified beneficiaries (see “Payment of Sickness Death Benefits”) if you die while you are:

- An active employee, or
- Eligible to receive a Service Pension or Disability Pension.

If you are rehired after you transferred to the Lucent Pension Program (LPP) and continue to participate in this Pension Plan, and die while an active employee, any sickness death benefit payable upon your death will be paid from this Pension Plan.

If you are retired with eligibility for a Service Pension or Disability Pension, you may be eligible for the sickness death benefit.

If you left the Company with eligibility for a Deferred Vested Pension (and are not eligible for a Service Pension or Disability Pension), you are not eligible for sickness death benefits.

AMOUNT OF SICKNESS DEATH BENEFITS

Under the death benefit provisions, your qualified beneficiary (see “Payment of Sickness Death Benefits”) will receive a sickness death benefit equal to one year’s pay excluding overtime if you die as the result of an illness or off-the-job accident while you are an active employee or while you are receiving a Service Pension or Disability Pension.

Pay is defined as the rate of pay in effect on the last day of active service prior to your transfer to this Pension Plan. If you are rehired after you transferred to the LPP and continue to participate in this Pension Plan, the rate of pay (for purposes of Sickness Death Benefits) shall be frozen at the rate of pay in effect on the last day of active service prior to your transfer to this Pension Plan.
Sickness death benefits are reduced by like benefits paid from workers’ compensation (or similar laws) for the same illness or injury.

**PAYMENT OF SICKNESS DEATH BENEFITS**

Generally, payment of the death benefit is made to your Mandatory Beneficiary. If you have more than one Mandatory Beneficiary when you die, the BCAC, at its discretion, will determine whether to pay the full benefit to one beneficiary or to divide it equally, or in some other proportion, among any of your Mandatory Beneficiaries.

If you do not have a Mandatory Beneficiary when you die, death benefits may be paid to one or more Discretionary Beneficiaries. The BCAC, at its discretion, will determine whether to pay a death benefit to a Discretionary Beneficiary, and if so, the amount of the benefit to be paid. This decision will be based on the BCAC’s determination of the prospective Discretionary Beneficiary’s dependency and financial need.

If the BCAC does not authorize a death benefit, or if it authorizes a benefit of less than one year’s pay, the BCAC may authorize payment of expenses related to your last illness or up to $500 for funeral expenses — but in no event more than one year’s pay.

Payment is made, at the BCAC’s discretion, in a lump sum or in installments made over a period of up to five years following your death. If installment payments are made, interest of 5% a year will be credited on the unpaid balance after the first installment payment is made.

A family member or friend should notify the Pension Service Center (PSC) as soon as possible after your death. Claims received more than one year after your death will not be accepted. In addition, no death benefit will be paid if a claim (other than under the Pension Plan) or a suit for damages because of your death is brought against any Participating Company or a company with an Interchange Agreement with Alcatel-Lucent USA Inc.

This SPD describes the Lucent Pension Program provisions of the Alcatel-Lucent Retirement Income Plan as of December 1, 2010. More detailed information is provided in the official Pension Plan documents which are controlling.
HOW PENSION BENEFITS ARE PAID

How your pension benefit is paid to you depends on the amount of your pension, whether or not you are legally married, and on the payment option you choose. However, if the present value of your Service Pension, Disability Pension or Deferred Vested Pension is $1,000 or less, then payment of your pension benefit will automatically be made in a Lump Sum. If you continue to work beyond age 70½, special rules may apply.

SERVICE PENSION OR DISABILITY PENSION

If you were eligible for a Service Pension or Disability Pension and have not commenced payment of your pension benefit, you must request a commencement package from the Pension Service Center (PSC) to begin your Service Pension or Disability Pension. The package will contain a preliminary pension calculation and information about your pension payment options and costs.

Your Service Pension or Disability Pension will be paid to you as an annuity, as follows:

- If you are legally married on your Benefit Commencement Date, the normal form of payment is the Joint and 50% Survivor Annuity. However, you may decline the Joint and 50% Survivor Annuity and instead elect the Joint and 75% Survivor Annuity, the Joint and 100% Survivor Annuity, the Single Life Annuity or the 10-Year Certain Annuity with your Lawful Spouse’s written, notarized consent.

- If you are not legally married on your Benefit Commencement Date, your pension will be paid as a Single Life Annuity unless you elect the 10-Year Certain Annuity.

- In addition to the forgoing options, if the present value of your Service Pension or Disability Pension is more than $1,000 but less than or equal to $5,000, you may elect to receive payment of your Service Pension or Disability Pension in a Lump Sum.
For more information about the available payment methods, see “Service Pension or Disability Pension Payment Methods.”

The payment method elected is effective as of your Benefit Commencement Date. Service Pensions normally begin the day after you leave the Company and are paid monthly. You will receive your first pension check on or about the first day of the month which is at least 60 days after your Benefit Commencement Date. Disability Pensions normally begin the day after your 52 weeks of disability benefits expire under the Alcatel-Lucent Sickness and Accident Disability Benefit Plan, or after your 26 weeks of disability benefits expire under the Alcatel-Lucent Short Term Disability Plan, as applicable. You will receive your first pension check on or about the first day of the month which is at least 60 days after your Benefit Commencement Date.

To elect or change an option, you must notify the PSC in writing:

- Within the 90 days immediately before your pension is to begin, or, if later,
- Within 90 days immediately after the date the PSC mails or personally delivers to you your pension estimates and survivor annuity costs.

Keep in mind that if you are married, and you change your mind one or more times during the election period, your Lawful Spouse’s written, notarized consent is required each time you decline the Joint and 50% Survivor Annuity. However, once your Lawful Spouse has given consent to any declination you have made, your Lawful Spouse cannot unilaterally withdraw consent for that declination. Once the 90-day election period is over, you cannot change your choice for any reason, including a change in your marital status.

If you have received a commencement package and are in the process of electing payment of your pension benefit within the 90-day election period, and your Benefit Commencement Date as shown in the commencement package has passed, then you and your Lawful Spouse, if applicable, will need to consent to a retroactive Benefit Commencement Date.

If you elect the Joint and 50% Survivor Annuity, the Joint and 75% Survivor Annuity or the Joint and 100% Survivor Annuity and your Lawful Spouse dies before you, your pension benefit will be increased by the amount of the original reduction. This increased amount will become effective the month after your Lawful Spouse’s death.
If you commence your pension with a Joint and 50% Survivor Annuity, a Joint and 75% Survivor Annuity or a Joint and 100% Survivor Annuity, your eligible Lawful Spouse to whom you are legally married on your Benefit Commencement Date remains entitled to the survivor annuity if you are later separated or divorced, even if one or both of you remarry.

If you decline the Joint and 50% Survivor Annuity and elect the Single Life Annuity with your Lawful Spouse’s written, notarized consent, you will receive your full pension for life. Following your death, all payments will stop.

DEFERRED VESTED PENSION

If the present value of your Deferred Vested Pension exceeded $1,000 when your employment ended, your Deferred Vested Pension will be paid as an annuity starting at age 65 (or when you terminated employment, if you terminated employment after age 65). In this case, no reduction will be made to your pension because of your age at the time payments start.

If the present value of your Deferred Vested Pension is more than $1,000 but less than or equal to $5,000, you may elect to take a Lump Sum or an immediate Single Life Annuity if you are single, or you may elect to take an immediate Joint and 50% Survivor Annuity or an immediate Joint and 75% Survivor Annuity if you are married. If you select an annuity, your pension will be reduced by an actuarial factor that takes into account your age when payments begin.

If you are among the group of Certain BTA/LBA Employees and the present value of your Deferred Vested Pension exceeds $5,000, you have the following additional options:

- You may begin receiving your Deferred Vested Pension payable as an annuity at any time before age 65. In this case, your pension will be reduced by an actuarial factor that takes into account your age when payments begin; or

- You may receive your Deferred Vested Pension as a Lump Sum (if you are legally married, you must obtain your Lawful Spouse’s written, notarized consent).

If you are among Certain Other Union Employees and the present value of your Deferred Vested Pension exceeds $5,000, you have the following additional option:

- If you have at least 20 years of NCS, you may begin receiving your Deferred Vested Pension payable as an annuity before age 65 as shown in the following chart.
How Pension Benefits Are Paid

<table>
<thead>
<tr>
<th>If Your Net Credited Service Is</th>
<th>Your Deferred Vested Pension Can Begin On or After</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least 20 years</td>
<td>Age 55</td>
</tr>
<tr>
<td>25 years or more</td>
<td>Age 50</td>
</tr>
</tbody>
</table>

*If payments begin before age 65, your benefit is reduced by an actuarial factor that takes into account your age when your payments start. (See “Appendix A: Deferred Vested Pension Early Payment Percentages.”)

After you left the Company, the Pension Service Center (PSC) sent you a Deferred Vested Pension calculation and an information package.

If you are eligible to immediately commence payment of your Deferred Vested Pension, you will have a 90-day election period during which you may elect to have your Deferred Vested Pension paid immediately or to have payment deferred until a later date.

If you decide to defer payment, or are not yet eligible to commence payment, you must apply in writing to the PSC no earlier than 90 days before the date you wish your pension payments to begin. They will send you the appropriate information, along with the forms to be completed and returned before your pension can commence.

Otherwise, the PSC will contact you approximately three months before your 65th birthday.

**Note:** It is important that you notify the PSC of any change in your address (see “Important Contacts”).

Your Deferred Vested Pension will be paid to you as an annuity, as follows:

- If you are legally married on your Benefit Commencement Date, your pension will be paid to you as a Joint and 50% Survivor Annuity. However, you may decline the Joint and 50% Survivor Annuity and elect the Single Life Annuity or the Joint and 75% Survivor Annuity with the written, notarized consent of your Lawful Spouse.

- If you are **not** legally married on your Benefit Commencement Date, your pension will be paid to you as a Single Life Annuity with no payments continuing after your death.
If your Deferred Vested Pension is paid as an annuity, you will receive your first check on or about the first day of the month which is at least 60 days after your Benefit Commencement Date.

If you are among the group of Certain BTA/LBA Employees, and elect to receive your Deferred Vested Pension as a Lump Sum, with the written, notarized consent of your Lawful Spouse, you must select one or more of the following distribution options:

- A single Lump Sum payment to you, and/or
- Direct Rollover to a traditional IRA, and/or
- Direct Rollover to a Roth IRA, and/or
- Direct Rollover to another employer’s qualified retirement plan, including the Alcatel-Lucent Savings/401(k) Plan, if you have an account under that plan.

If you receive a Lump Sum Distribution of your Deferred Vested Pension, your rights and entitlements, and those of your Lawful Spouse, if any, under the Pension Plan cease upon payment of a Lump Sum Distribution.

If you are legally married, you may decline or re-elect the Joint and 50% Survivor Annuity by notifying the PSC in writing:

- Within the 90 days immediately before your Deferred Vested Pension is to begin, or, if later,
- Within 90 days immediately after the date the PSC mails or personally delivers to you your pension estimates and survivor annuity costs.

If you change your mind one or more times during the election period, your Lawful Spouse’s written, notarized consent is required each time you decline the Joint and 50% Survivor Annuity. However, once your Lawful Spouse has given consent to any declination you have made, your Lawful Spouse cannot unilaterally withdraw consent for that declination. Once the 90-day election period is over, you cannot change your choice for any reason, including a change in your marital status.

If you have received a commencement package and are in the process of electing payment of your pension benefit within the 90-day election period, and your Benefit Commencement Date as shown in the commencement package has passed, then you and your Lawful Spouse, if applicable, will need to consent to a retroactive Benefit Commencement Date.

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This SPD describes the Lucent Pension Program provisions of the Alcatel-Lucent Retirement Income Plan as of December 1, 2010. More detailed information is provided in the official Pension Plan documents which are controlling.
If you commence your Deferred Vested Pension with a Joint and 50% Survivor Annuity or a Joint and 75% Survivor Annuity, your eligible Lawful Spouse to whom you are legally married on the day your pension begins remains entitled to the survivor annuity if you are later separated or divorced, even if one or both of you remarry.

If your Deferred Vested Pension is payable as a Joint and 50% Survivor Annuity or a Joint and 75% Survivor Annuity and your Lawful Spouse dies before you, but after your pension begins, you will continue to receive the reduced pension for life. No payments will be made to anyone else after your death.

If you decline the Joint and 50% Survivor Annuity and elect a Single Life Annuity with your Lawful Spouse’s written, notarized consent, you will receive your full pension for life. Following your death, all payments will stop.

If you elect to defer payment of your Deferred Vested Pension to a later date, your Lawful Spouse will be covered by a Preretirement Survivor Annuity. If you defer payment of your Deferred Vested Pension to a later date, you may elect to commence your Deferred Vested Pension in the future by contacting the PSC in writing. The PSC will send you the appropriate information, along with the forms to be completed and returned before your pension can commence.

If you elect to defer payment of your Deferred Vested Pension and do not contact the PSC to commence your Deferred Vested Pension, the PSC will contact you approximately three months before your 65th birthday.

**Note:** It is important that you notify the PSC of any change in your address (see “Important Contacts”).

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*This SPD describes the Lucent Pension Program provisions of the Alcatel-Lucent Retirement Income Plan as of December 1, 2010. More detailed information is provided in the official Pension Plan documents which are controlling.*
PAYMENT METHODS FOR PENSION BENEFITS

SERVICE PENSION OR DISABILITY PENSION PAYMENT METHODS

There are a total of seven payment methods available for a Service Pension or Disability Pension. They include:

- **Automatic Lump Sum.** If the present value of your pension benefit is $1,000 or less when your employment ends, your benefit is automatically paid to you as a Lump Sum — you will have no choice concerning the payment of this benefit. If you receive such a Lump Sum Distribution of your pension benefit, neither you nor your Lawful Spouse has any further rights to benefits under the Pension Plan. However, see “If You Are Rehired After Receiving a Lump Sum Payment” for exceptions if you return to the Company and repay your Lump Sum.

- **Optional Cash-Out Lump Sum.** If the present value of your pension benefit is more than $1,000 but less than or equal to $5,000 when your employment ends, you can choose to have your benefit paid immediately as a Lump Sum. If you elect a Lump Sum Distribution of your pension benefit, neither you nor your Lawful Spouse has any further rights to benefits under the Pension Plan. However, see “If You Are Rehired After Receiving a Lump Sum Payment” for exceptions if you return to the Company and repay your Lump Sum.

- **Single Life Annuity.** This is the automatic payment method if you are not legally married when pension payments begin. It is also available as an option if you are legally married (provided you obtain the written, notarized consent of your Lawful Spouse). Under this option, monthly payments are made to you for life with no payments continuing upon your death. This payment method produces the greatest monthly benefit of any payment method because only one lifetime is covered.
● **Joint and 50% Survivor Annuity.** This is the automatic payment method if you are legally married when pension payments begin. It provides you with monthly payments for life. With this option, an 8% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive one-half (50%) of the reduced monthly payments for life.

Payments are reduced under this payment method to cover two lifetimes — yours and your Lawful Spouse’s. If you are legally married, you must obtain your Lawful Spouse’s written, notarized consent to elect any other payment method.

If you elect this option and your Lawful Spouse dies before you, but after your pension has begun, your payments will be increased by the amount of the original reduction.

● **Joint and 75% Survivor Annuity.** This payment method is an option if you are legally married when your pension payments begin (provided you obtain the written, notarized consent of your Lawful Spouse). It provides you with monthly payments for life. With this option, a 12% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 75% of the reduced monthly payments for life.

Payments are reduced under this payment method to cover two lifetimes — yours and your Lawful Spouse’s. The reduction under this method is greater than the reduction under a Joint and 50% Survivor Annuity because this method provides a greater survivor benefit for your Lawful Spouse.

If you elect this option and your Lawful Spouse dies before you, but after your pension has begun, your payments will be increased by the amount of the original reduction.

● **Joint and 100% Survivor Annuity.** This payment method is an option if you are legally married when your pension payments begin (provided you obtain the written, notarized consent of your Lawful Spouse). It provides you with monthly payments for life. With this option, a 15% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 100% of the reduced monthly payments for life.

Payments are reduced under this payment method to cover two lifetimes — yours and your Lawful Spouse’s. The reduction under this method is greater than the reduction under a Joint and 50% Survivor Annuity because this method provides a greater survivor benefit for your Lawful Spouse.
If you elect this option and your Lawful Spouse dies before you, but after your pension has begun, your payments will be increased by the amount of the original reduction.

- **10-Year Certain Annuity.** This option is available to you, regardless of your marital status when pension payments begin (if you are legally married, you must obtain the written, notarized consent of your Lawful Spouse). Payments under this option are guaranteed for at least 10 years. This option provides you with monthly payments for life. With this option, a 5% reduction is applied to your pension when payments begin.

  If you die before all guaranteed payments are made, your designated beneficiary or estate will receive the remaining guaranteed payments. Payments to your designated beneficiary or estate will stop after the last guaranteed payment is made.

  If you live longer than 10 years, the reduced payments will continue for the rest of your life and stop upon your death.

  If you elect a 10-Year Certain Annuity, you may name as your beneficiary:
  - One or more individuals,
  - A trust, or
  - An estate.

  If you are receiving your pension as a 10-Year Certain Annuity and your beneficiary dies during the 10-year certain period, you may name a new beneficiary. If you do not name a beneficiary, or if none of your designated beneficiaries is living when you die, the remaining payments under the 10-year certain period will be paid to your estate.
DEFERRED VESTED PENSION PAYMENT METHODS

There are five payment methods for a Deferred Vested Pension available to all employees. They include:

- **Automatic Lump Sum.** If the present value of your Deferred Vested Pension is $1,000 or less when your employment ends, it will automatically be paid to you as a Lump Sum — you will have no choice concerning the payment of your Vested benefit. If you receive such a Lump Sum Distribution of your Deferred Vested Pension, neither you nor your Lawful Spouse has any further rights under the Pension Plan. However, see “If You Are Rehired After Receiving a Lump Sum Payment” for exceptions if you return to the Company and repay your Lump Sum.

- **Optional Cash-Out Lump Sum.** If the present value of your Deferred Vested Pension is more than $1,000 but less than or equal to $5,000 when your employment ends, you can choose to have your benefit paid immediately as a Lump Sum. If you elect a Lump Sum Distribution of your pension benefit, neither you nor your Lawful Spouse has any further rights to benefits under the Pension Plan. However, see “If You Are Rehired After Receiving a Lump Sum Payment” for exceptions if you return to the Company and repay your Lump Sum.

- **Single Life Annuity.** This is the automatic payment method for employees who are not legally married when their pension begins. It is also available as an option if you are legally married (provided you obtain the written, notarized consent of your Lawful Spouse). Under this option, monthly payments are made to you for life with no payments continuing upon your death. This payment method produces the greatest monthly benefit of any payment method because only one lifetime is covered.

- **Joint and 50% Survivor Annuity.** This is the automatic payment method if you are legally married when your pension begins. It provides you with monthly payments for life. With this option, a 12% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive one-half (50%) of the reduced monthly payments for life.

You must obtain your Lawful Spouse’s written, notarized consent to elect any other payment method.

If you elect this option and your Lawful Spouse dies before you, but after your pension has begun, you will continue to receive the reduced pension for life. No payments will be made to anyone else after your death.
• **Joint and 75% Survivor Annuity.** This payment method is an option if you are legally married when your pension payments begin (provided you obtain the written, notarized consent of your Lawful Spouse). It provides you with monthly payments for life. With this option, a 17% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 75% of the reduced monthly payments for life.

Payments are reduced under this payment method to cover two lifetimes — yours and your Lawful Spouse’s. The reduction under this method is greater than the reduction under a Joint and 50% Survivor Annuity because this method provides a greater survivor benefit for your Lawful Spouse.

If you elect this option and your Lawful Spouse dies before you, but after your pension has begun, you will continue to receive the reduced pension for life. No payments will be made to anyone else after your death.

Additionally, **if you are among the group of Certain BTA/LBA Employees**, you may elect a Lump Sum payment even if the present value of your Deferred Vested Pension exceeds $5,000. If you are legally married, you must first obtain your Lawful Spouse’s written, notarized consent to select this option. If you take a Lump Sum Distribution of your Deferred Vested Pension, neither you nor your Lawful Spouse will have any further rights to benefits under the Pension Plan. However, see “If You Are Rehired After Receiving a Lump Sum Payment” for exceptions if you return to work for the Company and repay your Lump Sum.
CALCULATING YOUR PENSION PLAN BENEFIT

Your pension benefit was calculated under the terms of the Lucent Technologies Inc. Pension Plan or the Lucent Technologies Inc. Retirement Plan, as applicable, at the time of your termination of employment.

All pensions — including Service, Disability and Deferred Vested — are generally determined using the same basic calculation formula.

SERVICE PENSION

If you qualify for a Service Pension when you stop working for the Company, and you are under age 55 with less than 30 years of NCS at that time, an early commencement discount will apply if payments start before you reach age 55. The amount of the early commencement discount is 1/2% for each full and partial month that payments start before age 55. This discount is equal to no more than 6% a year for each year your pension is in effect before you reach age 55.

Example of a Discounted Service Pension

The following shows the effect the early commencement discount would have on your monthly pension benefit. This example assumes the following:

- You terminated employment exactly at age 53 with exactly 28 years of NCS.
- Your monthly pension benefit is $1,093.40.
- Your pension would be subject to a 12% early commencement discount (24 months x 1/2% = 12%).
Example:

a. Monthly pension payable before early commencement discount $1,093.40
b. Minus early commencement discount (24 months x 1/2% discount per month = 12% x $1,093.40 = $131.20 early commencement discount) - $131.20
c. Equals discounted monthly pension amount ($1,093.40 - $131.20 = $962.20) = $962.20

DISABILITY PENSION

If you qualify for a Disability Pension, there is no early commencement discount for a Disability Pension or for a Service Pension Due to Disability paid before age 55.

If you are eligible for workers’ compensation benefits or other payments under a similar law, the amount of the benefit you receive under the Pension Plan as a Disability Pension will be reduced by the amount of the benefit you receive from those other sources for the same disability. This reduction does not apply to a Service Pension Due to Disability.

The Pension Plan Administrator for the Pension Plan or the Employee Benefits Committee, as appropriate, determines your continuing eligibility to receive Disability Pension benefits.

Termination of Disability Pension Benefits

Your Disability Pension will be terminated, if:

- In the judgment of the Pension Plan Administrator for the Pension Plan or the Employee Benefits Committee, as appropriate, your disability no longer prevents you from returning to work for the Company, or

- You have not yet reached Normal Retirement Age (NRA) and you return to work for the Company. (This also applies if you return to work for a Former Affiliate or any other company with which there is an Interchange Agreement, and you are covered by the Interchange Agreement — see “Appendix C: Special Rules and Agreements and Your Pension.”)
If you reach NRA while continuing to receive a Disability Pension under the Pension Plan, your Disability Pension will be converted to a Service Pension Due to Disability. In that case, if you return to work for the Company (or for a Former Affiliate or any other company with which there is an Interchange Agreement and you are covered by the Interchange Agreement), your Service Pension may be suspended. See “Employment Related Events — If You Are Rehired After You Commence Your Pension Benefit.”

**DEFERRED VESTED PENSION**

If you qualify for a Deferred Vested Pension, your Deferred Vested Pension will normally begin on your 65th birthday. (See “How Pension Benefits Are Paid” for information about the payment of your Deferred Vested Pension.) If you are eligible to and commence payment of your Deferred Vested Pension before age 65, your benefit will be permanently reduced by a percentage that takes into account your age as of your Benefit Commencement Date. The younger you are, the greater the reduction. Your Deferred Vested Pension will be further reduced if you choose the Joint and 50% Survivor Annuity or the Joint and 75% Survivor Annuity at the time your Deferred Vested Pension begins. For factors that apply to determine the percentage of your pension otherwise payable at age 65 that you will receive (without or with a survivor annuity) based on your completed years and months of age when your Deferred Vested Pension begins, contact the Pension Service Center (PSC) (see “Important Contacts”).
HOW SURVIVOR ANNUITIES ARE CALCULATED FOR SERVICE PENSIONS, DISABILITY PENSIONS AND DEFERRED VESTED PENSIONS

Service Pension or Disability Pension Example: Joint and 50% Survivor Annuity

If you are legally married on the day your pension begins, the normal form of payment is the Joint and 50% Survivor Annuity.

Under the Joint and 50% Survivor Annuity, an 8% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 50% of your reduced monthly pension benefit for life. If your Lawful Spouse dies before you, your monthly pension benefit will be increased by the amount of the original reduction.

Following is an example of a Service Pension or Disability Pension under the Joint and 50% Survivor Annuity payment method. This example assumes:

- Your monthly Service Pension or Disability Pension benefit is $1,093.40 before the Joint and 50% Survivor Annuity reduction is applied, and
- Your Service Pension or Disability Pension is not reduced for early commencement.

Example:

a. Monthly pension payable before reduction for Joint and 50% Survivor Annuity $1,093.40
b. Less 8% reduction to cover cost of Joint and 50% Survivor Annuity (\$1,093.40 \times .08 (8\%) = \$87.47) - $ 87.47
c. Amount of your reduced monthly pension $ 1,005.93
d. Lawful Spouse’s lifetime benefit following your death (50\% of your reduced monthly pension benefit) $ 502.97
Service Pension or Disability Pension Example: Joint and 75% Survivor Annuity

The Joint and 75% Survivor Annuity payment method is available as an option if you are legally married (provided you obtain the written, notarized consent of your Lawful Spouse).

Under the Joint and 75% Survivor Annuity, a 12% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 75% of your reduced monthly pension benefit for life. If your Lawful Spouse dies before you, your monthly pension benefit will be increased by the amount of the original reduction.

Following is an example of a Service Pension or Disability Pension under the Joint and 75% Survivor Annuity payment method. This example assumes:

- Your monthly Service Pension or Disability Pension benefit is $1,093.40 before the Joint and 75% Survivor Annuity reduction is applied, and
- Your Service Pension or Disability Pension is not reduced for early commencement.

Example:

a. Monthly pension benefit before reduction for Joint and 75% Survivor Annuity  $1,093.40
b. Less 12% reduction to cover cost of Joint and 75% Survivor Annuity ($1,093.40 x .12 (12%) = $131.20)  - $131.20
c. Amount of your reduced monthly pension  = $962.20
d. Lawful Spouse’s lifetime benefit following your death (75% of your reduced monthly pension benefit)  $721.65

The reduction under this method is greater than the reduction under the Joint and 50% Survivor Annuity because it provides a greater survivor benefit for your spouse.
**Service Pension or Disability Pension Example: Joint and 100% Survivor Annuity**

The Joint and 100% Survivor Annuity payment method is available as an option if you are legally married (provided you obtain the written, notarized consent of your Lawful Spouse).

Under the Joint and 100% Survivor Annuity, a 15% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 100% of your reduced monthly pension benefit for life. If your Lawful Spouse dies before you, your monthly pension benefit will be increased by the amount of the original reduction.

Following is an example of a Service Pension or Disability Pension under the Joint and 100% Survivor Annuity payment method. This example assumes:

- Your monthly Service Pension or Disability Pension benefit is $1,093.40 before the Joint and 100% Survivor Annuity reduction is applied, and
- Your Service Pension or Disability Pension is not reduced for early commencement.

**Example:**

- a. Monthly pension benefit before reduction for Joint and 100% Survivor Annuity  $1,093.40
- b. Less 15% reduction to cover cost of Joint and 100% Survivor Annuity ($1,093.40 x .15 (15%) = $164.01) - $ 164.01
- c. Amount of your reduced monthly pension = $ 962.39
- d. Lawful Spouse’s lifetime benefit following your death (100% of your reduced monthly pension benefit) $ 929.39

The reduction under this method is greater than the reduction under the Joint and 50% Survivor Annuity because it provides a greater survivor benefit for your spouse.
Service Pension or Disability Pension Example: 10-Year Certain Annuity

Following is an example of a Service Pension or Disability Pension under the 10-Year Certain Annuity payment method. This option is available to both single and married employees. However, if you are married, you must obtain the written, notarized consent of your Lawful Spouse to select this payment method.

Under the 10-Year Certain Annuity payment method, a 5% reduction is applied to your pension when payments begin. If you die before payments are made for the entire 10-year “certain” period, your designated beneficiary or estate will receive payments until the 10-year certain period is over. If you live beyond the 10-year certain period, you will continue to receive the same reduced benefit for life (see “Payment Methods for Pension Benefits”). In this case, all payments will stop after your death.

This example assumes:

- Your monthly Service Pension or Disability Pension benefit is $1,093.40 before the 10-Year Certain Annuity reduction is applied, and
- Your Service Pension or Disability Pension is not reduced for early commencement.

Example:

a. Monthly pension benefit before reduction for 10—Year Certain Annuity  $1,093.40
b. Less 5% reduction to cover cost of guaranteed payments for 10 years ($1,093.40 x .05 (5%) = $54.67)     -  $ 54.67

  c. Amount of your reduced monthly pension = $1,038.72
**Deferred Vested Pension Example: Joint and 50% Survivor Annuity**

If you are legally married on the day your Deferred Vested Pension begins, the normal form of payment is the Joint and 50% Survivor Annuity.

Under the Joint and 50% Survivor Annuity, a 12% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 50% of your reduced monthly pension benefit for life. If your Lawful Spouse dies before you, but after your pension has begun, you will continue to receive the reduced pension for life. No payments will be made to anyone else after your death.

Following is an example of a Deferred Vested Pension under the Joint and 50% Survivor Annuity. This example assumes you begin your pension payments at age 65.

**Example:**

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Monthly pension benefit before reduction for 50% Survivor Annuity</td>
<td>$1,093.40</td>
</tr>
<tr>
<td>b.</td>
<td>Less 12% reduction to cover cost of Joint and 50% Survivor Annuity</td>
<td>- $131.20</td>
</tr>
<tr>
<td>c.</td>
<td>Amount of Your Reduced Monthly Pension beginning at age 65)</td>
<td>= $ 962.20</td>
</tr>
<tr>
<td>d.</td>
<td>Lawful Spouse’s lifetime benefit following your death (50%)</td>
<td>$ 481.10</td>
</tr>
</tbody>
</table>

This SPD describes the Lucent Pension Program provisions of the Alcatel-Lucent Retirement Income Plan as of December 1, 2010. More detailed information is provided in the official Pension Plan documents which are controlling.
Deferred Vested Pension Example: Joint and 75% Survivor Annuity

The Joint and 75% Survivor Annuity payment method is available as an option if you are legally married (provided you obtain the written, notarized consent of your Lawful Spouse).

Under the Joint and 75% Survivor Annuity, a 17% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 75% of your reduced monthly pension benefit for life. If your Lawful Spouse dies before you, but after your pension has begun, you will continue to receive the reduced pension for life. No payments will be made to anyone else after your death.

Following is an example of a Deferred Vested Pension under the Joint and 75% Survivor Annuity. This example assumes you begin your pension payments at age 65.

Example:

1. Monthly pension benefit before reduction for Joint and 75% Survivor Annuity $1,093.40
2. Less 17% reduction to cover cost of Joint and 75% Survivor Annuity ($1,093.40 x .17 (17%) = $185.87) - $185.87
3. Amount of Your Reduced Monthly Pension beginning at age 65 $907.53
4. Lawful Spouse’s lifetime benefit following your death (75% of your reduced monthly pension benefit beginning at age 65) $680.65
EMPLOYMENT-RELATED EVENTS

IF YOU ARE REHIRED

If you are rehired as an employee in a bargaining unit represented by a union which has agreed to the Lucent Technologies Inc. Retirement Plan (LTRP), your pension will be transferred to the LTRP immediately upon your rehire. Otherwise, you will remain a participant in this Pension Plan and your pension will be subject to the terms of this Pension Plan. **Effective December 31, 2009, benefit accruals under this Pension Plan ceased.**

If you were Vested when your previous employment ended, your prior period of Vesting Service will be restored. If you were not Vested when your previous employment ended, your prior period of Service may be restored. The date when your prior Vesting Service is restored depends on the length of your Break in Service.

Your prior period of Net Credited Service may be bridged to your Net Credited Service following your rehire. When your Net Credited Service is bridged depends on how long your Break in Service was and how long you remain actively employed with a Participating Company upon your rehire.

If you are rehired and continue to work beyond age 70½, special rules may apply.

*If You Are Rehired After You Commence Your Pension Benefit*

If you are rehired as an employee in a bargaining unit represented by a union which has agreed to the LTRP, your pension will be transferred to the LTRP immediately upon your rehire. Otherwise, you will remain a participant in this Pension Plan and your pension will be subject to the terms of this Pension Plan.

Your pension payments under this Pension Plan may be suspended if you return to work after beginning your Service Pension or Deferred Vested Pension and you are employed by:

- A Participating Company,
- A Controlled Group Company that is not a Participating Company,

- A Former Affiliate or another company at which you are covered by an Interchange Agreement, such as the Mandatory Portability Agreement (MPA).

If your pension is suspended during your period of reemployment, you will never receive the suspended amounts. However, under Pension Plan rules, your prior Service may be bridged.

The suspension rules are based in part on whether you have reached Normal Retirement Age (NRA), which is generally age 65. The following rules apply:

**Return to Work for a Participating Company or a Controlled Group Company**

If you return to work for a Participating Company or Controlled Group Company after beginning your pension, and:

<table>
<thead>
<tr>
<th>You Are:</th>
<th>While You Are on the Active Payroll, Your Pension From the Pension Plan is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than NRA, regardless of the number of hours worked in the month</td>
<td>Suspended</td>
</tr>
<tr>
<td>NRA or older and paid for fewer than 40 hours in a calendar month</td>
<td>Paid for that month</td>
</tr>
<tr>
<td>NRA or older and paid for 40 or more hours in a calendar month</td>
<td>Suspended for that month</td>
</tr>
</tbody>
</table>

**Return to Work Under the Mandatory Portability Agreement (MPA)**

If you return to work for a Former Affiliate and you are covered by the MPA and:

<table>
<thead>
<tr>
<th>You Are:</th>
<th>While You Are on the Active Payroll, Your Pension Based on NCS Recognized Under the Pension Plan is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than NRA</td>
<td>Suspended</td>
</tr>
<tr>
<td>NRA or older and your Net Credited Service from the Pension Plan is <em>not bridged</em></td>
<td>Paid by the Pension Plan*</td>
</tr>
<tr>
<td>NRA or older and your Net Credited Service from the Pension Plan is <em>bridged</em></td>
<td>Paid by the Former Affiliate plan (based on your Net Credited Service that was recognized under this Pension Plan)</td>
</tr>
<tr>
<td>Even if you had not begun to receive your pension from this Pension Plan, these rules will apply when you reach NRA.</td>
<td></td>
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</tbody>
</table>
If you are hired by a Former Affiliate and your Net Credited Service is bridged by the Former Affiliate, you will no longer be considered a Participant under this Pension Plan and you will have no further rights under Alcatel-Lucent’s pension plans.

*If you return to work for a Former Affiliate* and you are not covered by the MPA, your pension payments from this Pension Plan will continue to be made.

*If you were hired by a Participating Company and your Net Credited Service with a Former Affiliate is bridged*, this Pension Plan will pay your pension, if you are eligible, including the portion based on Former Affiliate service.

**Continue to Work After NRA**

If you continue to work after reaching your NRA, you will not begin to receive your pension benefit until you terminate employment; as long as you are working at least 40 hours per month your pension benefit will be suspended.

**If You Are Rehired After Receiving a Lump Sum Payment**

If you received a Lump Sum payment of your pension benefit, and are rehired by a Participating Company into a position covered by the Pension Plan, you may be able to repay the Lump Sum with interest and restore your Net Credited Service for purposes of determining eligibility for a Service Pension and any other applicable aspects of the Pension Plan. **Effective December 31, 2009, benefit accruals under the Pension Plan ceased.** The repayment must be made in a single payment. Different repayment rules apply, based on the present value of the Lump Sum you received and the date of the distribution. They are as follows:

- If you received a Lump Sum payment *before* January 1, 1999 with a present value of $3,500 or less or a Lump Sum payment *after* January 1, 1999 with a present value of $5,000 or less, you have until six months after your date of rehire or the end of the fifth Plan Year after the year in which you received the Lump Sum, whichever is later, to repay the Lump Sum with interest.

- If you received a Lump Sum payment *after* January 1, 1998 and *before* January 1, 1999 with a present value of $3,500 or more or a Lump Sum payment *after* January 1, 1999 with a present value of $5,000 or more, you have until six months after your date of rehire to repay the Lump Sum with interest.

If you repay the Lump Sum with interest within the required period, your prior Net Credited Service will apply, subject to applicable bridging rules, for the purpose of determining eligibility for a Service Pension and any other applicable aspects of the Pension Plan, except that, **effective December 31, 2009, benefit accruals under the Pension Plan ceased.**
Terms You Should Know

Several words and phrases have a specific meaning under the Pension Plan. This section explains those terms so that you can better understand your benefits. These terms are capitalized whenever they appear to let you know that they are defined here.

**Alcatel-Lucent Retirement Income Plan (Pension Plan):** the pension plan that covers management employees and certain eligible occupational employees.

**Alcatel-Lucent Retirement Income Plan - Lucent Pension Program (LPP):** a retirement program under the Alcatel-Lucent Retirement Income Plan (ALRIP). This program covers inactive participants of the Lucent Technologies Inc. Pension Plan (LTPP) who were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers on their date of termination of employment and were transferred to the ALRIP effective December 1, 2010. In addition, upon termination of employment for participants of the Lucent Technologies Inc. Retirement Plan (LTRP) who are not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers on that date, such participants who meet the eligibility requirements for a Service Pension or Disability Pension are transferred to the ALRIP and their pension benefits (as determined under the LTRP as of their date of termination) will be paid from the ALRIP. Any participant of the LPP who is rehired by a Participating Company and is not represented by a union which has agreed to the LTRP, will remain a participant in the LPP.

**BCAC (Benefit Claim and Appeal Committee):** assists in the administration of the death benefit provisions of the Pension Plan, including the granting and denial of claims for death benefits, and serves as the final review committee for Disability Pension claims under the Pension Plan (see “Important Contacts”).

**Benefit Commencement Date:** means the date a Lump Sum payment is made to you or the date on which an annuity benefit becomes payable to you.

**Benefit Service:** means Net Credited Service (NCS) or Term of Employment when used to determine the amount of your pension benefit.
Break in Net Credited Service (NCS): you incur a Break in NCS whenever you terminate employment with a Participating Company. If you are rehired by Alcatel-Lucent, your NCS before the break will not be included in your NCS until it is bridged. Because each individual’s facts and circumstances are unique, they must be reviewed to determine if and when prior NCS will be credited.

Break in Vesting Service: you incur a Break in Vesting Service if you are credited with fewer than 501 Hours of Service in a calendar year. If you incur a Break in Vesting Service, your Vesting Service before the break cannot be added to your Vesting Service after the break until it is bridged.

Business and Technical Associate (BTA): an employee who is classified as a Business and Technical Associate by the Company. Prior to 2010, such employee was classified as a Lucent Business Assistant (LBA).

Certain BTA/LBA Employees: a Business and Technical Associate (BTA) (or classified as a Lucent Business Assistant (LBA) prior to 2010) who terminates employment from a Participating Company on or after May 31, 2001.

Certain Other Union Employees: employees who, upon termination of employment, were represented by a union other than the Communication Workers of America or the International Brotherhood of Electrical Workers.

Company: Alcatel-Lucent USA Inc. and each of the Controlled Group Companies.

Controlled Group Company: a company of which Alcatel-Lucent USA Inc. directly or indirectly owns 80% or more of the voting stock, and any other company required to be aggregated with it under Sections 414(b), (c), (m), or (o) of the Internal Revenue Code of 1986, as amended.

Deferred Vested Pension: the pension you are entitled to if you are Vested when you terminate employment and you do not meet the eligibility requirements for a Service Pension or a Disability Pension.

Disability Pension: the pension payable to you if you meet the eligibility requirements for a Disability Pension. You are eligible to retire with a Disability Pension if:

- You have completed at least 15 years of Net Credited Service, and
- You are Totally Disabled due to an illness or an injury that is not job related (you are considered Totally Disabled if the Pension Plan determines that your disability prevents you from returning to work for a Participating Company or a non-participating Controlled Group Company), and
• You terminate from the payroll due to your continued Total Disability (i) after receiving 52 weeks of sickness disability benefits from the Alcatel-Lucent Sickness and Accident Disability Benefit Plan; or (ii) after receiving 26 weeks of disability benefits under the Alcatel-Lucent Short Term Disability Plan if you were a Business and Technical Associate (or Lucent Business Assistant).

**Discretionary Beneficiary:** under the sickness death benefit provisions (see “Sickness Death Benefits”), Discretionary Beneficiaries are relatives (other than your Mandatory Beneficiaries) who the BCAC determines were dependent on you for financial support before your death and who demonstrate a financial need after your death.

**Employee Benefits Committee:** the committee appointed by the Company to undertake certain administrative responsibilities for the Pension Plan.

**Former Affiliates:**

- The Regional Holding Companies and the Operating Telephone Companies in each region listed in the table in “Appendix B,”

- Any subsidiary of these Regional Holding Companies which participates in a defined benefit pension plan maintained by any of these companies or with respect to which such company has an Interchange Agreement, and

- Telcordia Technologies (formerly Bell Communications Research, Inc. [Bellcore]), Cincinnati Bell Telephone Company and The Southern New England Telephone Company.

**Interchange Agreement:** an agreement between one or more Participating Companies and one or more non-participating companies that provides for the mutual recognition of an employee’s Term of Employment solely for the purposes specified in the agreement for certain employees who are covered by the terms of the Interchange Agreement. An Interchange Agreement is applicable for a period of time as specified in the agreement. Currently, Participants in this Pension Plan may be covered by one Interchange Agreement: the Mandatory Portability Agreement (MPA).
Interchange Companies: companies covered by the Mandatory Portability Agreement (MPA), including AT&T Corp., Ameritech Corporation, Bell Atlantic Corporation, Telcordia Technologies (formerly Bell Communications Research, Inc. [Bellcore]), BellSouth Corporation, NYNEX Corporation, Pacific Telesis Group, SBC Communications, Inc., US West, Inc., Cincinnati Bell Telephone Company, The Southern New England Telephone Company, AirTouch Cellular, AirTouch International, Lucent Technologies Inc., Avaya Inc., Agere Systems, Inc., certain but not all of their subsidiaries, and other eligible companies as may be added from time to time. Additional subsidiary Interchange Companies may be added from time to time. MPA rules are effective for employees hired on or after the date their company becomes an Interchange Company. The Pension Service Center (PSC) maintains a list of all companies covered by the MPA. (See “Appendix C: Special Rules and Agreements and Your Pension” for a list of Lucent Technologies Inc. subsidiaries covered by the MPA.)

Joint and 50% Survivor Annuity: this is the automatic payment method under the Pension Plan if you are legally married when your pension payments begin. It provides you with monthly payments for your life with survivor protection for your Lawful Spouse. Your benefit at retirement is reduced by 8% for a Service Pension or Disability Pension and by 12% for a Deferred Vested Pension. Upon your death, your Lawful Spouse will receive one-half (50%) of your reduced monthly pension payments for life. If your Service Pension or Disability Pension is being paid under this option and your Lawful Spouse dies before you, your payments will be increased by the amount of the original reduction. If your Deferred Vested Pension is being paid under this option and your Lawful Spouse dies before you, but after your pension begins, you will continue to receive the reduced pension for life.

Joint and 75% Survivor Annuity: this payment method under the Pension Plan is available as an option if a) you are eligible for a Service Pension, Disability Pension or a Deferred Vested Pension, and b) you are legally married when your pension begins and you obtain your Lawful Spouse’s written, notarized consent. It provides you with monthly payments for your life with survivor protection for your Lawful Spouse. Your benefit at retirement is reduced by 12% for a Service Pension or Disability Pension and by 17% for a Deferred Vested Pension. Upon your death, your Lawful Spouse will receive 75% of your reduced monthly pension payments for life. If your Service Pension or Disability Pension is being paid under this option and your Lawful Spouse dies before you, your payments will be increased by the amount of the original reduction. If your Deferred Vested Pension is being paid under this option and your Lawful Spouse dies before you, but after your pension begins, you will continue to receive the reduced pension for life.
**Joint and 100% Survivor Annuity:** this payment method under the Pension Plan is available as an option if a) you are eligible for a Service Pension or Disability Pension, and b) you are legally married when your pension begins and you obtain your Lawful Spouse’s written, notarized consent. It provides you with monthly payments for your life with survivor protection for your Lawful Spouse. Your benefit at retirement is reduced by 15%. Upon your death, your Lawful Spouse will receive 100% of your reduced monthly pension payments for life. If your Service Pension or Disability Pension is being paid under this option and your Lawful Spouse dies before you, your payments will be increased by the amount of the original reduction.

**Lawful Spouse:** a person of the opposite sex who is recognized as your lawful husband or lawful wife under the laws of your state of residence (even if your state of residence grants or recognizes same-sex marriages).

**Lucent Business Assistant (LBA):** an employee who was classified as a Lucent Business Assistant I, II or III by the Company, prior to 2010.

**Lucent Technologies Inc. Pension Plan:** the pension plan that covers inactive eligible occupational employees.

**Lucent Technologies Inc. Retirement Plan:** the pension plan that covers active eligible occupational employees.

**Lump Sum or Lump Sum Distribution:** payment of the present value of your pension after you terminate your employment with the Company and all Controlled Group Companies; or payment of the present value of a survivor pension to your Lawful Spouse, under certain conditions, if you die while actively employed or before commencing your Vested pension.

**Mandatory Beneficiary:** under the sickness death benefit provisions (see “Sickness Death Benefits”), Mandatory Beneficiaries include your:

- Lawful Spouse who is living with you at the time of your death,
- Unmarried dependent children up to age 23 (or age 23 or over if the child is disabled and incapable of self support), or
- Dependent parents living with you or in a separate household that you provide in the vicinity of your home.
Terms You Should Know

**Mandatory Portability Agreement (MPA):** an Interchange Agreement effective January 1, 1985 among AT&T and its Former Affiliates (called Interchange Companies). The agreement provides for mutual recognition of Service credit and transfer of benefit obligations for certain employees who leave one Interchange Company and are later employed by another Interchange Company. (See “Appendix C” for more information about the MPA.)

**Mandatory Portability Company:** a company other than a Participating Company which is party to the Mandatory Portability Agreement (MPA) (see “Interchange Companies”). It also includes any subsidiary or affiliate identified in the MPA.

**Net Credited Service (NCS):** determines your eligibility for a Service Pension or Disability Pension. NCS is also referred to as your “Term of Employment” or as “Benefit Service.” NCS with a Participating Company is used in calculating the amount of your pension benefit. NCS is the continuous number of years, months and days you have worked for a Participating Company, beginning with your most recent date of hire and ending with your retirement or other termination of employment. If you were on the active roll of Lucent Technologies Inc. on October 1, 1996, your NCS also includes your continuous number of years, months and days recognized under the AT&T Pension Plan or AT&T Management Pension Plan as of September 30, 1996.

See “Appendix C” for more information on the following special rules about Service that may apply to you:

- If You Had Bell System Service Before January 1, 1984;
- Summary of the Mandatory Portability Agreement (MPA); and
- Service Recognition Under Certain Corporate Transactions.

**Normal Retirement Age (NRA):** if you were hired by a Participating Company before age 60, your NRA is your 65th birthday. If you were hired on or after your 60th birthday, and you participate in the Pension Plan, your NRA is the earlier of (1) your 5th anniversary of participation in the Pension Plan, provided you are on the active roll on that date or, (2) the date you complete 5 years of Vesting Service.

**Participant:** an individual who participates in the Pension Plan.

**Participating Company/Companies:** a company that participates in this Pension Plan. For information regarding Participating Companies, please contact the PSC (see “Important Contacts”).

**Pension Plan:** see definition above for Alcatel-Lucent Retirement Income Plan.
Pension Service Center (PSC): the PSC is the official center for all pension and pension-related services for eligible employees. (See “Important Contacts”).

Preretirement Survivor Annuity: annuity coverage that provides your eligible Lawful Spouse with a survivor annuity benefit if you die after you leave the Company and before your pension begins.

Qualified Domestic Relations Order (QDRO): a court order in a divorce, legal separation, or similar proceeding, that requires part or all of your Vested pension benefit to be paid to meet a property settlement agreement, alimony, child or dependent support payments. See QDRO Administration under “Important Contacts” for details on whom to contact in the event your pension benefit is subject to a QDRO, or to obtain (without charge) a copy of the Pension Plan’s procedures governing QDROs.

Rollover: a payment of all or part of a Lump Sum Distribution to a traditional IRA, Roth IRA or another qualified retirement plan that accepts Rollovers.

Service: your Service with the Company or a Controlled Group Company is important in determining your eligibility for Pension Plan benefits. The Pension Plan uses two types of Service to determine benefits:

- Net Credited Service (NCS): this determines your eligibility for a Service Pension or Disability Pension and is used in calculating the amount of your benefit. Only NCS with a Participating Company is used in calculating the amount of your benefit. (See Net Credited Service (NCS) definition for more information.)

- Vesting Service: this determines your eligibility for a Deferred Vested Pension. Once you are Vested, you have a nonforfeitable right to certain pension benefits. (See Vesting Service definition for more information.)

Service Pension: the pension payable to you if you meet the eligibility requirements for a Service Pension.

Service Pension Due to Disability: the pension payable to you as a Service Pension if you also meet the eligibility requirements for a Disability Pension.

Single Life Annuity: this is the automatic payment method under the Pension Plan if you are not legally married when your pension begins. It is also an option if you are legally married when your pension begins (provided you obtain the written, notarized consent of your Lawful Spouse). Under this option, monthly payments are made to you for life with no payments continuing after your death.

Term of Employment: means Net Credited Service (NCS) or Benefit Service.
Totally Disabled: means that the Pension Plan has determined that, due to disability, a person cannot return to work for the Company.

Vested: you are Vested in the Pension Plan:

- After completing at least five years of Vesting Service, or
- If you are a Participant in the Pension Plan, and you are on the active roll on the date you attain Normal Retirement Age, or
- If your benefit under the Pension Plan became fully Vested by reason of a transfer of excess pension assets, or
- If you are a BTA/LBA whose employment is terminated as a result of being covered by a declaration made under the Alcatel-Lucent Force Management Program on or after February 15, 2001.

Once you are Vested in the Pension Plan you have a nonforfeitable right to a pension benefit.

Vesting Service: this determines your eligibility for a Deferred Vested Pension. A year of Vesting Service is generally a calendar year in which you are credited with at least 1,000 Hours of Service. However, you do not begin to earn Vesting Service until the year of your 18th birthday.

If you are credited with more than 500 but fewer than 1,000 Hours of Service in a calendar year, you will not incur a Break in Vesting Service but you also will not be credited with a year of Vesting Service.

If you are absent for any of the following reasons, you may be credited with up to 501 hours of Vesting Service so that you will not have a Break in Vesting Service. You can receive the credit in either the year your absence begins or in the following year, as necessary to prevent a Break in Vesting Service. You can receive this credit for:

- Pregnancy (yours or your Lawful Spouse’s)
- Birth of your child
- Care of your newborn or newly-adopted child
- Placement of a child with you in anticipation of your adopting the child
- Absence under the Family and Medical Leave Act of 1993 (FMLA)
Any hours credited under this rule are used only to prevent a Break in Vesting Service. They are not counted toward Vesting Service, nor are they included in NCS.

**10-Year Certain Annuity:** this payment option is available under the Pension Plan if you are eligible for a Service Pension or a Disability Pension, regardless of your marital status. However, if you are legally married when your pension begins, you must obtain the written, notarized consent of your Lawful Spouse to elect this payment option. This option provides you with monthly payments for life, with payments guaranteed for at least 10 years. Your benefit at retirement is reduced by 5%. If you die before all guaranteed payments are made, your designated beneficiary or estate will receive payments for the rest of the 10-year “certain” period.
IMPORTANT CONTACTS

Here is a list of resources for the Pension Plan.

PENSION SERVICE CENTER (PSC)

The PSC is the official center for all pension and pension-related services for eligible Participants and provides the following services:

- Pension calculations
- Pension-affecting record changes
- Service bridging/adjusting
- Retirement processing
- Deferred Vested Pension administration
- Death case processing
- Annuitant pension administration
- General pension and pension-related information
- Mandatory Portability Agreement information
- Pension check processing and adjustments
By Phone

You can reach the PSC on any business day from 8:00 a.m. to 5:00 p.m., Eastern Time as follows:

<table>
<thead>
<tr>
<th>U.S.-Based Employees</th>
<th>International Employees</th>
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<tbody>
<tr>
<td>Call 1-866-429-5764 to speak with a service representative.</td>
<td>To contact the PSC from international locations without access to toll-free numbers, call 1-904-791-2147 collect to speak with a service representative.</td>
</tr>
</tbody>
</table>

Hearing impaired employees may call 1-866-429-5765 to reach a telecommunications device for the deaf (TDD).

Online

You can access the Pension Service Center website at http://alcatel-lucent.ingplans.com

By Mail

You may send written correspondence to the PSC by regular mail, as follows:

Alcatel-Lucent Pension Service Center
P.O. Box 57576
Jacksonville, FL 32241-7576
OTHER RESOURCES

The following sources have specific responsibilities, as explained below:

<table>
<thead>
<tr>
<th>Contact/Service Provided</th>
<th>Address</th>
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<tbody>
<tr>
<td>QDRO Administration:</td>
<td>QDRO Administration</td>
</tr>
<tr>
<td></td>
<td>P.O. Box 56887</td>
</tr>
<tr>
<td></td>
<td>Jacksonville, FL 32241-6887</td>
</tr>
<tr>
<td>Subpoenas regarding the Pension Plan should be served directly to:</td>
<td>Jackson Lewis</td>
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<tr>
<td></td>
<td>Attn: V.A. Cino, Esq.</td>
</tr>
<tr>
<td></td>
<td>220 Headquarters Plaza</td>
</tr>
<tr>
<td></td>
<td>East Tower, 7th Floor</td>
</tr>
<tr>
<td></td>
<td>Morristown, NJ 07960</td>
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<tr>
<td>Employee Benefits Committee (EBC): Serves as final review for Pension Plan benefit appeals.</td>
<td>Employee Benefits Committee</td>
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<td>Alcatel-Lucent</td>
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<td>Room 7C-415</td>
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<td></td>
<td>600-700 Mountain Avenue</td>
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<td></td>
<td>Murray Hill, NJ 07974</td>
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<tr>
<td>Pension Plan Administrator:</td>
<td>Pension Plan Administrator</td>
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<td>Murray Hill, NJ 07974</td>
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<tr>
<td>Benefit Claim and Appeal Committee (BCAC): Serves as the initial review committee for claims under the death benefit provisions of the Pension Plan, and the final review committee for Disability Pension appeals under the Pension Plan.</td>
<td>Benefit Claim and Appeal Committee</td>
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OTHER IMPORTANT INFORMATION

This section contains administrative information about the Pension Plan and other details required under the terms of a federal law, the Employee Retirement Income Security Act of 1974, as amended (ERISA).

CLAIM PROCEDURES

Employees, retired employees, their beneficiaries (if applicable) and former employees eligible for a benefit under this Pension Plan, or any individual duly authorized by them, have the right under ERISA and the Pension Plan to file a written claim for benefits. A claim may also be filed if it is believed that Net Credited Service or Vesting Service has not been computed correctly. Send all written claims for pension matters (other than death benefits) to the Pension Plan Administrator. Send written claims regarding death benefits to the Benefit Claim and Appeal Committee (BCAC). See “Important Contacts.”

All claims for benefits under the Pension Plan must be brought within one year of the date on which such claim accrued. All claims brought after the one-year period shall be time barred.

The procedure for filing claims is the same for both pension and death benefit claims.

- If a claim is denied in whole or in part, you will receive a written notice of the Pension Plan Administrator’s decision or the BCAC’s decision, as applicable, including the specific reason(s) for the decision, reference to the Pension Plan provisions on which the decision is based, a description of any additional information necessary to perfect the claim and a description of the Pension Plan’s review procedures along with a statement of your rights under Section 502(a) of ERISA, within 90 days after the Pension Plan Administrator or the BCAC, as applicable, receives the claim.
• If the Pension Plan Administrator or the BCAC, as applicable, needs more than 90 days to make a decision, a representative will notify you in writing within the initial 90-day period and explain why more time is required. An additional 90 days (for a total of 180 days) may be taken if the Pension Plan Administrator or the BCAC sends this notice. The extension notice will show the date by which the Pension Plan Administrator’s or the BCAC’s decision will be sent.

With respect to claims for Disability Pensions, if the claim is denied in whole or in part, you will receive written notice of the Pension Plan Administrator’s decision including the specific reason(s) for the decision, within 45 days after the Pension Plan Administrator receives the claim. If the Pension Plan Administrator needs more than 45 days to make a decision, you will be notified in writing within the initial 45-day period explaining why more time is required. An additional 30 days may be taken if the Pension Plan Administrator sends this notice. The extension notice will show the date by which the Pension Plan Administrator’s decision will be sent. If prior to the end of the first 30-day extension period the Pension Plan Administrator determines that more time is needed to render a decision, you will be notified in writing within the initial 30-day extension period of the circumstances requiring an additional 30-day extension and the date as of which the Pension Plan Administrator’s decision will be sent. You will be provided at least 45 days within which to provide additional information in support of your claim in response to any notice of extension.

If your claim for a Disability Pension is denied in whole or in part, you will receive written notice of the Pension Plan Administrator’s decision including the specific reason(s) for the decision, reference to the Pension Plan provisions on which the decision is based, a description of any additional information necessary to perfect the claim, a description of the Pension Plan’s review procedures along with a statement of your rights under Section 502(a) of ERISA and (a) if an internal rule, guideline, protocol or other criteria was relied upon in making the decision, you will be so notified and entitled to request a copy of such rule, guideline or protocol free of charge or (b) if the decision is based on a medical necessity or experimental treatment or similar exclusion or limit, you will be so notified.

If you do not hear from the Pension Plan Administrator or BCAC within any of the appropriate time frames as described above, you will be considered to have exhausted your administrative remedies under the Pension Plan and will be entitled to pursue a remedy under Section 502(a) of ERISA.
The following appeal procedures give the rules for appealing a denied claim.

**APPEAL PROCEDURES**

If your claim for pension benefits, Net Credited Service, Vesting Service or death benefits is denied in whole or in part, or if you or your beneficiaries or authorized representative believe that benefits under the Pension Plan to which you are entitled have not been provided, an appeal process is available to you. You or your authorized representative may appeal in writing within 60 days after the denial is received. Send the appeal directly to the Alcatel-Lucent Employee Benefits Committee (EBC). If your claim for a Disability Pension is denied in whole or part, you or your authorized representative may appeal in writing to the BCAC within 180 days. See “Important Contacts.”

If you or your representative submits a written request for review of a denied claim, you have the right to:

- Review pertinent Pension Plan documents, which you can obtain free of charge as described in “Pension Plan Documents”, and
- Send to the EBC or BCAC, if applicable, a written statement of the issues and any other documents in support of the claim for benefits or other matter under review.

The EBC will conduct a review and make a final decision within 60 days after receiving the written request for review, or in the case of a review of a Disability Pension claim by the BCAC, within 45 days.

If special circumstances cause the EBC to need more than 60 days to make a decision, or the BCAC to need more than 45 days for a Disability Pension, a representative will notify you in writing within the initial 60-day period, or 45-day period, as applicable, and explain why more time is required. An additional 60 days, or 45 days for a Disability Pension — for a total of 120 days, or 90 days with respect to a Disability Pension, may be taken if the EBC or BCAC, as applicable, sends this notice.

The decision will be in writing and will include the specific reasons for the decision, reference to specific Pension Plan provisions on which the decision was based, a statement that you are entitled to receive upon request and free of charge copies of all documents and information relevant to your claim, and a statement of your rights to bring an action under Section 502(a) of ERISA. If your claim was for a Disability Pension, you will also receive an explanation of any internal rules, guidelines or protocols relied upon in making the determination or an explanation of any medical judgments that were made.
If the EBC does not respond within 60 (or 120) days, or the BCAC does not respond within 45 (or 90 days) for a Disability Pension claim, you will be considered to have exhausted your administrative remedies under the Pension Plan and will be entitled to pursue a remedy under Section 502(a) of ERISA.

In addition to the foregoing, if your claim for a Disability Pension is denied in whole or in part, your claim will be reviewed by the BCAC in a manner that does not provide deference to the initial denial and that is conducted by an appropriate Plan fiduciary who is neither the person who initially denied the claim nor the subordinate of such individual. If the denial is based on a medical judgment, a health care professional shall be consulted to aid in the determination and you will be informed of the health care professional’s identity (without regard to whether the advice was relied upon in making the benefit determination). The health care professional that is consulted on an appeal shall not be an individual who was consulted on the initial claim nor the subordinate of such individual.

The EBC or BCAC, as applicable, shall serve as the final review committee under the Pension Plan. Except as otherwise noted above with respect to a Disability Pension claim, the EBC or BCAC shall have sole and complete discretionary authority to determine conclusively for all parties, and in accordance with the terms of the documents or instruments governing the Pension Plan, any and all questions arising from administration of the Pension Plan and interpretation of all Pension Plan provisions, determination of all questions relating to eligibility to participate and eligibility for benefits, determination of all facts, the amount and type of benefits payable to any Participant and construction of all terms of the Pension Plan.

Decisions by the EBC or BCAC, as applicable, shall be conclusive and binding on all parties and not subject to further review. Also, please note that applicable law and the Pension Plan’s provisions require you to pursue all your claim and appeal rights on a timely basis before seeking any other legal recourse regarding claims for benefits, Net Credited Service, Vesting Service or death benefits. If you do not hear from the EBC or the BCAC, as applicable, within any of the appropriate time frames as described above, you will be considered to have exhausted your administrative remedies under the Pension Plan and will be entitled to pursue a remedy under Section 502(a) of ERISA.
RIGHTS OF A PLAN PARTICIPANT OR BENEFICIARY UNDER ERISA

The Pension Plan is classified as a defined benefit pension plan under ERISA. As a Participant in this Pension Plan, you have these rights and protections under ERISA:

- You can examine, without charge, at the PSC’s office and at other specified locations, such as worksites and union halls, all documents governing the Pension Plan, including collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Pension Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- You can obtain copies of documents governing the operation of the Pension Plan, including collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and an updated summary plan description upon written request to the PSC. You will be charged a reasonable fee for copies of the documents requested unless federal law requires that they be furnished without charge.

- You are entitled to receive a summary of the Pension Plan’s annual financial report, a copy of which is furnished to each Pension Plan Participant once a year.

- If you are a Participant in the pension provisions of the Pension Plan, once a year you are entitled to obtain a statement. The statement will tell you whether you have a right to receive a pension at Normal Retirement Age (generally age 65). If you do have the right, the statement will also say what your benefits would be at that age. You must request this statement in writing from the PSC. The Pension Plan must provide the statement free of charge.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for Pension Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Pension Plan. These people, called fiduciaries of the Pension Plan, have a duty to operate the Pension Plan prudently and in the interest of Pension Plan Participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.
ENFORCE YOUR RIGHTS

If your claim for benefits is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time frames.

Under ERISA, there are steps you can take to enforce the above rights. For example, if you make a written request to the Plan Administrator for a copy of Pension Plan documents and do not receive them within 30 days, you may file suit in a federal court. In such cases, the court may require the Plan Administrator (see “Pension Plan Identification”) to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent for reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Pension Plan’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court.

If Pension Plan fiduciaries misuse the Pension Plan’s money, or if you are discriminated against for asserting your rights under ERISA, you may seek assistance from the U.S. Department of Labor, or you may file suit in federal court. The court will decide who will pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay costs and fees, for example, if it finds your claim to be frivolous.

ASSISTANCE WITH YOUR QUESTIONS

For answers to questions about the Pension Plan, contact the PSC (see “Important Contacts”). If you have any questions about this statement of your rights, or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory; or contact the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.
PENSION PLAN DOCUMENTS

This summary plan description summarizes the key features of the Lucent Pension Program of the Pension Plan. There are separate summary plan descriptions which set forth the key features of (1) the Account Balance Program portion of the Pension Plan, (2) the Service Based Program portion of the Pension Plan, (3) the portions of the Pension Plan providing benefits under the former Alcatel USA, Inc. Consolidated Retirement Plan, and (4) the portions of the Pension Plan providing benefits under the former Alcatel Data Networks, Inc. Retirement Pension Plan. You can find complete details in the official Pension Plan documents that legally govern the operation of the Pension Plan. All statements made in this summary plan description are subject to the provisions and terms of those documents. Pension Plan documents include the official Pension Plan text, the trust agreement, the annual report and other documents and reports maintained by the Pension Plan or filed with a federal government agency. Pension Plan Participants and beneficiaries of deceased Participants can review copies of the documents and a list of Participating Companies any time during normal business hours at the PSC. If you are unable to examine these documents there, you should write to the PSC, specifying the documents you wish to review and at which Company work location. Copies of the requested documents will be made available for examination within ten days after your request is submitted.

You or the beneficiary of a deceased Participant can also request copies of any Pension Plan documents by writing to the PSC. Copies will be furnished within 30 days at a nominal charge, unless federal law requires that they be furnished without charge.

PLAN TERMINATION

Alcatel-Lucent USA Inc. intends to continue the Pension Plan. The Board of Directors of Alcatel-Lucent USA Inc. (or its delegate) reserves the right to modify, suspend, change or terminate the Pension Plan at any time, subject to the terms of applicable collective bargaining agreements. Also, benefits are provided at Alcatel-Lucent USA Inc.’s discretion and do not create a contract of employment. Federal law requires a pension plan administrator to describe in a summary plan description relevant information regarding the possibility, however unlikely, of a plan termination. Federal law and most, if not all, pension plans provide for the right to terminate plans and describe what happens upon a termination. If the Pension Plan were terminated, you could still have rights to future benefit payments, but you would not earn any further pension rights under this Pension Plan regardless of continuing employment with a Participating Company. Participants may also have certain rights to benefits insured by the Pension Benefit Guaranty Corporation.
A plan termination may be a total termination or a partial termination. A total termination would apply to all Participants and beneficiaries. A partial termination would apply to the Participants and beneficiaries specified in any such termination.

If the Pension Plan were terminated, the rights of all affected Participants and beneficiaries to pension benefits computed as of the date of termination would become nonforfeitable to the extent that there are sufficient assets in the pension trust fund to cover those benefits. In the case of a partial termination, only a portion of the trust fund assets would be available to pay benefits to affected Participants and beneficiaries.

The Pension Plan and federal law specify the general manner and order that the assets of the pension trust fund will be allocated, for purposes of paying benefits computed as of the date of termination, to Participants and beneficiaries. Essentially, in the event of a Pension Plan termination, the assets of the pension trust fund would first be allocated to pay benefits to Participants and beneficiaries who are already receiving benefits under the Pension Plan at the time of termination or who had the right to immediately receive such benefits if they had retired before the termination. There are certain limitations on the amount of assets that can be allocated to this highest priority category. After benefits are provided to Participants and beneficiaries in this highest priority, remaining assets would be allocated to other Participants and beneficiaries in certain other priority categories relating to an employee’s Service, and would depend on whether or not an employee’s benefit was Vested before the termination, and the amount of the employee’s computed pension to the date of the termination.

The benefits that are provided upon and after a plan termination may, at the discretion of Alcatel-Lucent USA Inc., be provided through the purchase of an annuity, the distribution of a Lump Sum cash amount, or in other forms as Alcatel-Lucent USA Inc. determines.

To the extent that there are remaining assets in the pension trust fund after the allocation of amounts sufficient to cover benefits for retired employees or their annuitants, active employees who had the immediate right to retire, former employees with deferred Vested pensions and active employees with Vested benefits, the Pension Plan provides that amounts may be allocated for future death benefits that would have been paid from the Pension Plan had it continued, and to certain former employees who may have had certain pension rights under a predecessor plan.
The current termination provisions of the Pension Plan provide that, if there are any remaining assets after making provisions for the payment of all benefits earned to the date of termination, and after making provisions for future possible death benefits, remaining assets are to be applied solely for pension purposes in an equitable manner consistent with the purposes of the Pension Plan. Alcatel-Lucent USA Inc. reserves the right to amend this provision relating to any remaining assets in the event of Pension Plan termination to provide for some other disposition of remaining assets. Alcatel-Lucent USA Inc. also reserves the right to amend, in a manner consistent with required provisions under federal law, Pension Plan terms regarding the allocation of pension assets upon a Pension Plan termination. Alcatel-Lucent USA Inc. would notify you of any such amendment.

**NON-ASSIGNMENT OF BENEFITS**

You or your beneficiary cannot assign or transfer amounts payable under the Pension Plan. Similarly, amounts payable to you under the Pension Plan may not be used to pay debts or obligations of any nature, except as follows: the Pension Plan is required to comply with court-issued Qualified Domestic Relations Orders (QDROs) and IRS tax levies. You and your beneficiaries may obtain, without charge, a copy of the Pension Plan’s QDRO Procedures from the QDRO Administration group (see “Important Contacts”).

**TOP HEAVY RULES**

A “top heavy” plan is a plan that provides more than 60% of its benefits to key employees (as defined in the Internal Revenue Code). If the Pension Plan should ever become top heavy, you will be notified.

**MAXIMUM LIMITATIONS**

Federal regulations under Internal Revenue Code Section 415 limit the amount of benefits that can be paid to any individual from a pension plan’s trust fund. These limitations normally affect only the higher paid employees (or, in some cases, employees retiring at an early age) and are subject to periodic change by the IRS.
PENSION BENEFIT GUARANTY CORPORATION

Your pension benefits under this Pension Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Pension Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people will receive all of the pension benefits they would have received under the Pension Plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the Pension Plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by the law for the year in which the Pension Plan terminates; (2) some or all of benefit increases and new benefits based on Pension Plan provisions that have been in place for fewer than 5 years at the time the Pension Plan terminates; (3) benefits that are not Vested because you have not worked long enough for the Company; (4) benefits for which you have not met all of the requirements at the time the Pension Plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Pension Plan’s Normal Retirement Age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC’s Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC’s pension insurance program is available through the PBGC’s website on the Internet at http://www.pbgc.gov.
PAYMENTS UNDER LAW

Pension benefits will not be reduced by pensions or benefits paid under the Social Security Act or due to military service. However, if any other law currently in effect, such as workers’ compensation, or any law enacted in the future should provide payments similar to those provided by the Pension Plan, the Pension Plan will limit its payments of pensions and death benefits only to the amount in excess of those paid under the law.

UNCLAIMED BENEFITS

Any unclaimed benefits will remain in the pension trust fund and may be used to offset future Company contributions to that trust fund.

PENSION PLAN ADMINISTRATOR

Alcatel-Lucent USA Inc. administers the Pension Plan through the Alcatel-Lucent Employee Benefits Committee. Alcatel-Lucent USA Inc. has appointed the Pension Plan Administrator to assist in the day-to-day administration of the Pension Plan, including the granting and denial of claims for pension benefits. The Employee Benefits Committee and the Pension Plan Administrator shall interpret the Pension Plan provisions and shall have the responsibility for making all discretionary determinations under the Pension Plan.

The Employee Benefits Committee has appointed the Benefit Claim and Appeal Committee to assist in the administration of the death benefit provisions of the Pension Plan, including the granting and denial of claims for death benefits.
# PENSION PLAN IDENTIFICATION

<table>
<thead>
<tr>
<th>Plan Name</th>
<th>The official Plan Name is the <em>Alcatel-Lucent Retirement Income Plan</em>.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Sponsor</td>
<td>The Plan Sponsor is Alcatel-Lucent USA Inc.</td>
</tr>
<tr>
<td>Plan Administrator</td>
<td>The Pension Plan is administered by the Alcatel-Lucent Employee Benefits Committee.</td>
</tr>
</tbody>
</table>
| Agent for Service of Legal Process | You can direct any service of legal process related to the Pension Plan to:  
  - The Alcatel-Lucent Employee Benefits Committee at Alcatel-Lucent, Room 7C-415, 600-700 Mountain Avenue, Murray Hill, NJ 07974, or  
  - The trustee of the Pension Plan (see “Pension Trust Fund”). |
| Pension Trust Fund | Contributions to the pension trust fund are actuarially determined and paid by the Participating Companies into a trust established exclusively for designated Pension Plan purposes. The trust fund is held by the following trustee who has signed a trust agreement with Alcatel-Lucent USA Inc.:  
  Bank of NY Mellon  
  135 Santilli Hwy  
  Everett, MA  02149 |
| Source of Payments | Service Pensions, Disability Pensions and Deferred Vested Pensions are payable from the pension trust fund.  
Certain death benefits under the Pension Plan are paid from operating expenses of the Company. |
| Plan Records and Plan Year | The Pension Plan and all its records are maintained on a plan year basis. The plan year is the calendar year, beginning on January 1st and ending on December 31st of each year. |
| Type of Plan       | The Pension Plan is classified as both a “defined benefit pension plan” and a “welfare plan” under ERISA. It is a defined benefit pension plan for Service, Disability and Deferred Vested Pension purposes and for payment of certain sickness death benefits upon the death of a Participant under the pension provisions of the Pension Plan. The Pension Plan is a welfare plan for purposes of providing certain other death benefit payments. |
| Plan Number        | The Plan Number is 001.                                               |
| Employer Identification Number | The Employer Identification Number assigned by the IRS is 22-3408857. |
APPENDICES

APPENDIX A: DEFERRED VESTED PENSION EARLY PAYMENT PERCENTAGES

For factors that apply to the percentage of your pension otherwise payable at age 65 that you will receive (without or with a survivor annuity) based on your completed years and months of age when your Deferred Vested Pension begins, call the Pension Service Center (PSC) at 1-866-429-5764. To call the PSC from international locations without access to toll free numbers, call 904-791-2147 collect to speak with a service representative. (see “Important Contacts”.)
APPENDIX B: FORMER AFFILIATES

Former Affiliates are defined as the Regional Holding Companies, the Operating Telephone Companies in each region that are listed below, Telcordia Technologies (formerly Bell Communications Research, Inc. [Bellcore]), Cincinnati Bell Telephone Company and The Southern New England Telephone Company.

<table>
<thead>
<tr>
<th>Regional Holding Companies</th>
<th>Operating Telephone Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ameritech Corporation*</td>
<td>Illinois Bell, Indiana Bell, Michigan Bell, Ohio Bell, Wisconsin Bell</td>
</tr>
<tr>
<td>Bell Atlantic Corporation*</td>
<td>New Jersey Bell, Bell Telephone Company of Pennsylvania, The C&amp;P Telephone Companies, Diamond State Telephone Company</td>
</tr>
<tr>
<td>Bell South Corporation*</td>
<td>South Central Bell, Southern Bell</td>
</tr>
<tr>
<td>NYNEX Corporation*</td>
<td>New York Telephone, New England Telephone, Empire City Subway Company, [Ltd.]</td>
</tr>
<tr>
<td>Pacific Telesis Group*</td>
<td>Pacific Bell, Nevada Bell</td>
</tr>
<tr>
<td>SBC Communications Inc.*</td>
<td>Southwestern Bell</td>
</tr>
<tr>
<td>US West, Inc.*</td>
<td>Mountain Bell, Northwestern Bell, Pacific Northwest Bell, Malheur Home Telephone, Inc.</td>
</tr>
</tbody>
</table>

*Any subsidiary of any of the above companies which participates in a defined benefit pension plan maintained by any of these companies or, with respect to which such company has an Interchange Agreement is also considered a Former Affiliate.
APPENDIX C: SPECIAL RULES AND AGREEMENT AND YOUR PENSION

If You Had Bell System Service Before January 1, 1984

If you had Bell System service before divestiture on January 1, 1984, that service was assigned to the pension plan of the company where you were on payroll on January 1, 1984. This applies even to previous service with a former Bell System company participating in the AT&T pension plans. If you were not employed by a former Bell System company as of divestiture, your previous service was assigned to the pension plan of the last Bell System company you worked for. Previous service that was not assigned to an AT&T pension plan at divestiture and subsequently assigned to Lucent at the time of Lucent’s spinoff from AT&T according to these rules can never be included as Service under an Alcatel-Lucent USA Inc. pension plan unless you are covered by the Mandatory Portability Agreement (MPA) summarized in this Appendix.

Summary of the Mandatory Portability Agreement (MPA)

The MPA is an agreement effective January 1, 1985 among AT&T and the Former Affiliates (called Interchange Companies). The agreement provides for mutual recognition of service credit and transfer of benefit obligations for certain employees who leave one Interchange Company and are later employed by another Interchange Company.


The MPA covers many, but not all of these companies’ subsidiaries.* The Pension Service Center (PSC) maintains a list of all current and former companies covered by the MPA. In addition to Alcatel-Lucent USA Inc., the Alcatel-Lucent USA Inc. subsidiaries covered by the MPA are:

- AG Communication Systems Corporation
- Lucent Technologies Asset Management Corp.
This SPD describes the Lucent Pension Program provisions of the Alcatel-Lucent Retirement Income Plan as of December 1, 2010. More detailed information is provided in the official Pension Plan documents which are controlling.

- Lucent Technologies Guardian I Corp.
- Lucent Technologies GRL LLC
- Lucent Technologies Management Services Inc.
- Lucent Technologies World Services Inc.
- Lucent Technologies Caribbean and Latin American Sales Ltd.
- Nassau Metals Corporation

*Additional subsidiary Interchange Companies may be added from time to time. MPA rules are effective for employees hired on and after the date a company becomes an Interchange Company.

Your coverage under the MPA depends on your employment status as of the following three points in time:

- December 31, 1983,
- The day you terminate employment from an Interchange Company, and
- The day you start working for a different Interchange Company.

To be covered by the MPA, you must meet the following tests at each of these points in time:

- As of December 31, 1983:
  - Employed by a Bell System company in a position covered by the Bell System Pension Plan or the Bell System Management Pension Plan (or on leave of absence or layoff status and reinstated after December 31, 1983, but before expiration of the leave or the period of layoff recall rights), and
  - Employed in a non-supervisory position or, if in a supervisory position, had an annual base rate of pay, as defined below, of $50,000 or less.
• As of your date of termination from an Interchange Company:

  ➢ Employed in a position covered by the Interchange Company’s occupational or management pension plan that is a non-supervisory position, or if in a supervisory position, had an annual base rate of pay as of your termination date of $50,000 or less, as increased to reflect changes in the Consumer Price Index-Wages (CPI-W) since December 31, 1983. The CPI-W reflects changes in the cost-of-living figures between specific dates and is issued monthly by the U.S. Bureau of Labor Statistics.

• As of your date of hire by another Interchange Company:

  ➢ Employed in a position covered by the Interchange Company’s occupational or management pension plan that is a non-supervisory position, or if in a supervisory position, have an annual base rate of pay of $50,000 or less, as increased to reflect changes in the CPI-W since December 31, 1983.

For purposes of the MPA, your annual base rate of pay equals your annual base salary rate as of each of the three points in time, respectively, noted above. It does not include lump sum merit awards, marketing incentive compensation or similar lump sum payments.

If you are hired by an Interchange Company and meet the criteria noted above, your previous Net Credited Service and years of service may be bridged under the terms of the hiring Interchange Company’s pension plan.

The MPA provides for the Waiver of Portability. If you meet the eligibility criteria described above, you will be given the opportunity to waive portability and will be provided with a detailed summary of information regarding the impact of waiving your portability.

If you meet the above criteria and are hired by a company that is not an Interchange Company, but that company:

• Is a parent, subsidiary or affiliate of an Interchange Company, and

• Is a participating company in an Interchange Company pension plan or has a separate pension plan and that plan provides for the recognition of pension service credit (credit for participation, vesting eligibility and benefit accrual) with an Interchange Company pension plan under an agreement generally comparable to the MPA,
then service with that non-interchange company is not recognized and is counted as a Break in Service for bridging service under the MPA.

However, if you later bridge your prior service with an Interchange Company (i.e., by going to work for an Interchange Company and satisfying that company’s bridging rules), service with the above-described non-interchange company will also be recognized, but only for pension purposes (and not for any other benefit or personnel purposes).

**Service Recognition Under Certain Corporate Transactions**

In certain instances, employees may receive additional Service recognition for specific purposes as a condition of certain corporate transactions (e.g., acquisitions). If this applies to you, you will be informed in a separate document.