

Summary of Material Modifications Nokia Retirement Income Plan-- All Programs: Important Contacts

This notice, called a Summary of Material Modifications (“SMM”), advises you of material changes in the information presented in your Summary Plan Description (sometimes called an “SPD”) for the Nokia Retirement Income Plan (the “Pension Plan”).

Please do two things:

1. Read this notice, and
2. Retain a copy of this notice for your records.

The changes are as follows:

1. NEW WEBSITE ADDRESS FOR PENSION PLAN RECORDKEEPER AND NEW ADDRESS AND TELEPHONE NUMBER FOR QDRO ADMINISTRATOR

The website address for Your Benefits Resources (YBR)[™] has changed. The new website address is <https://digital.alight.com/nokia>. Additionally, the address and phone number for the QDRO Administrator has changed. For your convenience, an updated list of “Important Contacts” for the Pension Plan is attached.

Important Contacts

Here is a list of important contacts for the Pension Plan:

Contact/Service Provided	Address
Nokia Benefits Resource Center— Service center for the Pension Plan; maintains information regarding your Pension Plan benefit; processes Plan-related transactions such as benefit commencement.	Online through the Your Benefits Resources (YBR) [™] website at https://digital.alight.com/nokia , 24 hours a day, seven days a week. By phone through the Nokia Benefits Resource Center, from 9:00 a.m. to 5:00 p.m., ET, Monday through Friday. Call 1-888-232-4111 and select “Retirement and Investments”, then select “Pension”.
Nokia Employee Benefits Committee— Serves as final review committee for Pension Plan benefit appeals.	Employee Benefits Committee Nokia 600-700 Mountain Avenue Room 6C-402A Murray Hill, NJ 07974 USA
Nokia Legal & Compliance Organization— Authorized agent for service of process of all legal papers for the Pension Plan, the Plan Administrator, and the Employee Benefits Committee. Also authorized agent for service of subpoenas.	Legal & Compliance Organization Nokia 600-700 Mountain Avenue Room 6C-412 Murray Hill, NJ 07974 USA
Plan Administrator— Administers the Pension Plan; adjudicates claims for benefits; responsible for certain disclosure to Plan Participants regarding their benefits.	Pension Plan Administrator Nokia 600-700 Mountain Avenue Room 6C-402A Murray Hill, NJ 07974 USA
QDRO Administrator— Handles matters relating to domestic relations orders affecting, or purporting to affect, Pension Plan benefits.	Send all draft or court certified orders to: Nokia QDRO Center P.O. Box 7144 Rantoul, IL 1866-7144 USA Fax: 1-847-883-9313 For information or if you have questions: visit the Qualified Order Center website at www.qocenter.com , email your questions to qocenter@alight.com , or contact the Nokia Benefits Resource Center (see above).

Alcatel-Lucent Retirement Income Plan

Cash Balance Plan Provisions of the Alcatel USA, Inc. Consolidated Retirement Plan

Summary Plan Description

January 1, 2012



DISCLAIMER

This is a summary of the benefits available to eligible employees under the Alcatel USA, Inc. Cash Balance Plan (the Cash Balance Plan) provisions of the Alcatel USA, Inc. Consolidated Retirement Plan which was merged into the Alcatel-Lucent Retirement Income Plan (Pension Plan). This SPD applies only to active participants in the Cash Balance Plan who retire, die, or terminate employment on or after January 1, 2011. Benefits for participants who retired, died, or terminated employment prior to January 1, 2011 are governed by the terms of the Cash Balance Plan in effect as of the date of their termination of employment, unless a later amendment specifically grants benefits to them. 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 Cash Balance Plan 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”).

This summary is based on Cash Balance Plan provisions in effect on January 1, 2011, and replaces all previous SPDs and other descriptions of benefits provided under the Cash Balance Plan. 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.

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 document, the Pension Plan document will govern.

Alcatel-Lucent Retirement Income Plan Cash Balance Plan Provisions of the Alcatel USA, Inc. Consolidated Retirement Plan

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This SPD describes the Cash Balance Plan provisions of the Alcatel USA, Inc. Consolidated Retirement Plan which was merged into the Alcatel-Lucent Retirement Income Plan as of March 1, 2007, as applied to participants in the Cash Balance Plan who retire, die or terminate employment on or after January 1, 2012. More detailed information is provided in the official Pension Plan documents which are controlling.

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INTRODUCTION

Here is your summary of the key features of the Cash Balance Plan provisions of the Pension Plan. Certain words and phrases have a specific meaning under the Cash Balance Plan provisions of the Pension Plan. These terms are capitalized to let you know that they are defined in the section labeled "Terms You Should Know."

The Cash Balance Plan was established, effective June 1, 1997, to apply to all salaried employees of Alcatel Network Systems, Inc. who were employed on and after June 1, 1997. The Cash Balance Plan established a hypothetical account for you (your CBP Account) for recordkeeping purposes and added Compensation Credits to your CBP Account annually until benefit accruals were frozen, effective December 31, 2002. Although Compensation Credits to your CBP Account ceased effective as of December 31, 2002, your account continues to be credited with Interest Credits based on a rate of interest determined under the terms of the Pension Plan.

You will note that this SPD will make references to the Prior Plan. A "Prior Plan" means any one of the Alcatel Network Systems Retirement Plan, the Alcatel Network Systems, Inc. Salaried Retirement Plan, the Alcatel NA, Inc. Retirement Plan for Salaried Employees, as it relates to employees of Alcatel Network Systems, Inc. and the Alcatel USA, Inc. Consolidated Hourly Retirement Plan, as applicable, which were all merged into the Alcatel USA, Inc. Consolidated Retirement Plan, prior to its merger into the Alcatel-Lucent Retirement Income Plan.

In general, when you leave the Company your Vested CBP Account represents the value of your pension benefit under the Pension Plan, subject to the provisions of the Guaranteed Minimum Benefit. However, if you were employed by a Participating Company prior to June 1, 1997, your pension benefit equals the greater of your Vested CBP Account (subject to the provisions of the Guaranteed Minimum Benefit) or your Vested benefit under the Prior Plan applicable to you, each payable at your Normal Retirement Date in the form of a Single Life Annuity.

If you earned a benefit under any of the Prior Plans, you will be provided with supplemental information in addition to this SPD that describes how your benefits are calculated under the Prior Plan that applies to you.

The Pension Plan is provided at no cost to you.

THE PENSION PLAN - HIGHLIGHTS

Here is a summary of the key features of the Cash Balance Plan provisions of the Pension Plan.

Cash Balance Plan Provisions	Summary
Eligibility	<p>Effective January 1, 2001, participation in the Cash Balance Plan was frozen. Therefore, no new employees were eligible to participate in the Cash Balance Plan on and after that date.</p> <p>Prior to January 1, 2001, you were eligible to begin participation in the Cash Balance Plan as of your first day of employment with a Participating Company, provided that you were also included in a Covered Employee Classification, as defined in the Terms You Should Know section.</p>
Participation	<p>Prior to January 1, 2001, you automatically became a participant in the Cash Balance Plan as of your first day of employment with a Participating Company in a Covered Employee Classification.</p>
Cost	<p>Alcatel-Lucent USA Inc. pays the entire cost of the Pension Plan. There is no cost to you.</p>
Vesting	<p>"Vesting" refers to earning a nonforfeitable right to your Pension Plan benefit. Generally, you are Vested after you complete five Years of Vesting Service.</p>
Cash Balance Plan Benefits	<p>In general, when you leave the Company your Vested CBP Account represents the value of your pension benefit under the Pension Plan, subject to the provisions of the Guaranteed Minimum Benefit. However, if you were employed by a Participating Company prior to June 1, 1997, your pension benefit equals the greater of your Vested CBP Account (subject to the provisions of the Guaranteed Minimum Benefit) or your Vested benefit under the Prior Plan applicable to you, each payable at your Normal Retirement Date in the form of a Single Life Annuity.</p>
Information About Your Pension Plan	<p>Contact the HR Service Center at 1-888-582-3684 for information about the Cash Balance Plan provisions of the Pension Plan. You can also reach the Pension Plan Administrator by regular mail as follows:</p> <p style="text-align: center;">Pension Plan Administrator Alcatel-Lucent M/S BENF1 3400 W Plano Pkwy Plano, TX 75075</p>

PARTICIPATING IN THE PLAN

WHEN PARTICIPATION BEGAN

Effective January 1, 2001, participation in the Cash Balance Plan was frozen. Therefore, no new employees were Eligible Employees for purposes of participating in the Cash Balance Plan on and after that date.

Prior January 1, 2001, you were eligible to begin participation in the Cash Balance Plan as of your first day of employment as an Eligible Employee with a Participating Company. You automatically became a participant in the Cash Balance Plan as of your first day of employment as an Eligible Employee with a Participating Company. There was no requirement to formally enroll in the Cash Balance Plan.

COST

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

CALCULATING YOUR CASH BALANCE PLAN BENEFIT

Your benefit under the Pension Plan depends on whether you participated in the Cash Balance Plan only, or under both the Cash Balance Plan and a Prior Plan.

If you participated in the Cash Balance Plan only, then your benefit under the Pension Plan will generally equal the greater of:

- Your Vested CBP Account payable at your Normal Retirement Date in the form of a Single Life Annuity; or
- Your Vested Guaranteed Minimum Benefit payable at your Normal Retirement Date in the form of a Single Life Annuity.

If you participated in both the Cash Balance Plan and a Prior Plan, then your benefit under the Pension Plan will generally equal the greater of:

- Your Vested CBP Account payable at your Normal Retirement Date in the form of a Single Life Annuity; or
- Your Vested Guaranteed Minimum Benefit payable at your Normal Retirement Date in the form of a Single Life Annuity; or
- Your vested accrued benefit under the Prior Plan payable at your Normal Retirement Date in the form of a Single Life Annuity.

You accrue benefits under the Cash Balance Plan in much the same way as you accumulate money in a savings account. Once your participation in the Cash Balance Plan commenced, a hypothetical account was established for you for record keeping purposes. Your CBP Account grows annually in two ways:

- **Compensation Credits:** Prior to January 1, 2003, as of the last day of each month the Company contributed an amount equal to 4% of your Compensation to your CBP Account. Effective as of December 31, 2002, benefit accruals under the Cash Balance Plan ceased, and accordingly, the Company no longer makes any Compensation Credits to your CBP Account.

Any amounts contributed prior to January 1, 2003 were credited to your CBP Account.

- **Interest Credits.** Although benefit accruals ceased under the Cash Balance Plan effective as of December 31, 2002, your CBP Account is credited with Interest Credits as of the last day of each month. The Interest Credit rate is the amount equal to the rate of interest determined each January 1 based on the 24 month average of the 10 year Treasury rates as of the previous October 1.

If you accrued a benefit under a Prior Plan, you will be provided with supplemental information in addition to this SPD that describes how your benefits are calculated under the Prior Plan that applies to you.

WHEN CBP ACCOUNT BENEFITS ARE PAYABLE

You will be entitled to a distribution of your Vested CBP Account upon your separation from employment with the Company on account of your retirement, Total and Permanent Disability or a voluntary or involuntary termination. In the event of your death, your Beneficiary may be entitled to receive a distribution of your Vested CBP Account.

No benefit will be paid if you are not Vested when you terminate your employment.

If the present value of your Vested benefit under the Pension Plan does not exceed \$1,000 when you terminate your employment with the Company, the present value of your Vested benefit will automatically be paid to you in a lump sum; provided, however, that if you separate from service by reason of Total and Permanent Disability, your Vested benefit of \$1,000 or less will not be distributed until your long term disability payments, if any, cease under the Company's long term disability plan. You may elect to have the lump sum distribution of your Vested benefit paid as a Direct Rollover.

If the present value of your Vested benefit under the Pension Plan exceeds \$1,000 when you terminate your employment with the Company, you will have these payment options:

- If you terminate your employment with the Company for any reason after you are Vested, you may elect to receive an immediate distribution of your Vested benefit at that time or later. Your completed package must be returned to the benefit department no later than 180 days from the date of the letter accompanying the initial request for distribution package mailed to you for immediate benefit commencement. Otherwise, you will need to reapply for your benefit. Your benefit will be recalculated when the application is received and a new package will be mailed to you.
- If you do not file any election to commence distribution of your Vested benefit, your benefit becomes payable in the normal form as of your Normal Retirement Date.

The normal form of distribution depends on your marital status at the time when you become eligible for a distribution of your Vested benefit. If you are married at the time you become eligible for a distribution of your Vested benefit, the normal form of distribution is a Qualified Joint and Survivor Annuity. If you are not married at the time you become eligible for a distribution of your Vested benefit, the normal form of distribution is a Single Life Annuity.

PENSION BENEFITS PAYABLE FOLLOWING YOUR DEATH

IF YOU DIE WHILE ACTIVELY EMPLOYED

The Cash Balance Plan provisions of the Pension Plan provide that the value of your CBP Account (subject to the provisions of the Guaranteed Minimum Benefit or a Prior Plan benefit, if applicable) will be distributed as follows if you die as an active employee after you are Vested under the Pension Plan:

- If you are legally married on your date of death, your surviving spouse may elect to receive the full value of your CBP Account (subject to the provisions of the Guaranteed Minimum Benefit or a Prior Plan benefit, if applicable) distributed as either a Single Life Annuity or as a single lump sum payment. Your surviving spouse may elect to defer payments to a date that is not later than the date you would have attained age 65. If your surviving spouse elects to defer payment and dies before distribution commences, the benefit shall be forfeited and no further benefits are payable.
- If you are **not** legally married on your date of death, the full value of your CBP Account (subject to the provisions of the Guaranteed Minimum Benefit or a Prior Plan benefit, if applicable) will be distributed to your designated Beneficiary as a single lump sum payment. If there is no designated Beneficiary on record, or your designated Beneficiary dies before you, the full value of your CBP Account (subject to the provisions of the Guaranteed Minimum Benefit or a Prior Plan benefit, if applicable) will be distributed to your estate.

No benefit will be paid if you are not Vested when you die.

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

If you leave the Company and die prior to the commencement/distribution of your Vested benefit, the value of your Vested CBP Account (subject to the provisions of the

Guaranteed Minimum Benefit or a Prior Plan benefit, if applicable) will be distributed as follows:

- If you are legally married on your date of death, your surviving spouse may elect to receive the full value of your CBP Account (subject to the provisions of the Guaranteed Minimum Benefit or a Prior Plan benefit, if applicable) distributed as either a Single Life Annuity or as a single lump sum payment. Your surviving spouse may elect to defer payments to a date that is not later than the date you would have attained age 65. If your surviving spouse elects to defer payment and dies before distribution commences, the benefit shall be forfeited and no further benefits are payable.
- If you are **not** legally married on your date of death, the full value of your CBP Account (subject to the provisions of the Guaranteed Minimum Benefit or a Prior Plan benefit, if applicable) will be distributed to your designated Beneficiary as a single lump sum payment. If there is no designated Beneficiary on record, or your designated Beneficiary dies before you, the full value of your CBP Account (subject to the provisions of the Guaranteed Minimum Benefit or a Prior Plan benefit, if applicable) will be distributed to your estate.

IF YOU DIE AFTER YOUR 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 surviving 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 surviving 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 50% Contingent Annuity, upon your death the Beneficiary you named on the date your pension began will receive 50% of the reduced monthly benefit for life. Payments to your Beneficiary 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 surviving 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 surviving 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% Contingent Annuity, upon your death the Beneficiary you named on the date your pension began will receive 75% of the reduced monthly benefit for life. Payments to your Beneficiary 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 surviving 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 surviving 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% Contingent Annuity, upon your death the Beneficiary you named on the date your pension began will receive 100% of the reduced monthly benefit for life. Payments to your Beneficiary will begin on the first calendar day of the month immediately following your date of death.

If you die after receiving your pension benefit as a single lump sum payment, no further benefit is payable to anyone.

HOW CBP ACCOUNT BENEFITS ARE PAID

How your CBP Account is paid depends on the value of your Vested benefit, whether or not you are legally married, and on the payment option you choose. Annuity payments are paid monthly. If the present value of your Vested benefit is \$1,000 or less, then payment of your Vested benefit is made in a single lump sum payment; provided, however, that if you separate from service by reason of Total and Permanent Disability, your Vested benefit of \$1,000 or less will not be distributed until your long term disability payments, if any, cease under the Company's long term disability plan.

If the present value of your Vested benefit exceeds \$1,000 when your employment ends, you will have the following payment options:

- You may receive the present value of your benefit as a single lump sum payment (if you are legally married, you must obtain your spouse's written, notarized consent). The lump sum will equal the greater of your CBP Account or the present value of the Guaranteed Minimum Benefit or the present value of a Prior Plan benefit, if applicable.
- You may receive your benefit as a monthly annuity. Your CBP Account will be annuitized and payable in the form of a monthly Single Life Annuity payable at your Normal Retirement Date, and compared to the Guaranteed Minimum Benefit and Prior Plan benefit, if applicable. You will receive the greatest monthly annuity benefit, reduced for commencement prior to your Normal Retirement Date.
- You may leave the balance in your CBP Account and allow it to continue to receive Interest Credits. If you defer commencement of your CBP Account, you may elect to commence your benefit at any time before age 70½.

You can request an information package from the HR Service Center at 1-888-582-3684 describing these payment options prior to terminating your employment. You will have a 180-day election period during which you may elect to have your Vested benefit paid immediately or deferred until a later date.

If you elect to receive the present value of your Vested benefit as a single lump sum payment, with the written, notarized consent of your spouse, you must select one or more of the following three distribution options:

- A single lump sum payment to you, and/or
- Direct Rollover to a traditional IRA or Roth IRA, and/or
- Direct Rollover to another employer's qualified retirement plan, including the Alcatel-Lucent Savings Plan (ALSP), if you have an account in that plan.

If you elect to receive your Vested benefit as an immediately payable annuity, your Vested benefit will be paid as follows:

- If you are legally married when your annuity payments begin, the normal form of payment is the Qualified Joint and Survivor Annuity (QJSA). The QJSA provides you with a reduced monthly benefit during your lifetime, and at your death your spouse will continue to receive 50% of your reduced monthly benefit for his or her life. You may also elect a QJSA that provides your spouse with 75% or 100% of your reduced monthly benefit for life. In addition, you may decline the QJSA with the written, notarized consent of your spouse and elect either a Single Life Annuity or a Joint and Contingent Annuity form of payment which provides survivor benefits to a Beneficiary other than your spouse.
- If you are **not** legally married, your pension will be paid to you as a Single Life Annuity with no payments continuing after your death, unless you elect a Joint and Contingent Annuity which provides survivor benefits to a named Beneficiary.

If your benefit is paid as an annuity, you will receive your first check on or about the first day of the month which is at least 30 days after your pension begins.

If your pension is payable as a QJSA (either 50%, 75% or 100% survivor annuity) and your spouse dies before you, but after your pension begins, your payments will continue at the reduced amount and no payments will be made after your death.

If your pension is payable as a Joint and 50% Contingent Annuity, Joint and 75% Contingent Annuity or Joint and 100% Contingent Annuity and your Beneficiary dies before you, but after your pension begins, your payments will continue at the reduced amount and no payments will be made after your death.

If you are legally married, you may decline or re-elect the QJSA by notifying the Pension Plan Administrator (see “Important Contacts”), in writing:

- Within the 180 days immediately before your Vested benefit is to begin, or, if later,
- Within 180 days immediately after the date the Pension Plan Administrator mails or personally delivers to you your pension estimates.

If you change your mind one or more times during the election period, your spouse's written, notarized consent is required each time you decline the QJSA. However, once your spouse has given consent to any declination you have made, your spouse cannot unilaterally withdraw consent for that declination. Once the 180-day election period is over, you cannot change your choice for any reason, including a change in your marital status.

If you commence your Vested benefit as a QJSA, the person to whom you are legally married on the day your pension begins remains entitled to the annuity if you are later separated or divorced, even if one or both of you remarry.

If you commence your Vested benefit as either a Joint and 50% Contingent Annuity, Joint and 75% Contingent Annuity or Joint and 100% Contingent Annuity, the person named as the Beneficiary on the day your pension begins cannot be changed for any reason.

If you decline the QJSA and elect a Single Life Annuity with your 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 Vested benefit to a later date, the payment options and payment methods described in this SPD will generally be available to you when you later elect to commence your benefit. You may elect to commence your deferred benefit at any time in the future by contacting the Pension Plan Administrator in writing. The Pension Plan Administrator will calculate your benefit as of the first calendar day of the month immediately following the month in which your written request to commence your benefit is received by the Pension Plan Administrator. The Pension Plan Administrator will send you the appropriate information, along with the forms to be completed and returned before your benefit can commence.

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

It is important that you notify the Pension Plan Administrator of any change in your address after you leave the active payroll (see “Important Contacts”).

PAYMENT METHODS FOR CBP ACCOUNT BENEFITS

OPTIONAL BENEFIT PAYMENT METHODS

Instead of the normal forms of distribution, you may elect to receive any of the following optional forms of distribution. If you are married, your spouse must consent to your waiver of the Qualified Joint and Survivor Annuity and election of an optional form of distribution and such consent must be witnessed by a notary public. The optional forms of distribution are:

- *Joint and Contingent Annuity* which provides you with a reduced monthly benefit for life and upon your death your Beneficiary will continue to receive 50%, 75% or 100%, as elected by you, of the amount of your reduced monthly benefit for life.
- *Single Life Annuity* which provides you with a monthly benefit for life, with no benefits payable after your death. This payment method produces the greatest monthly benefit of any payment method because only one lifetime is covered.
- *Lump Sum* which provides you with a lump sum cash payment of your Vested benefit. If you take a lump sum, neither you nor your Beneficiary shall have any further rights to benefits under the Pension Plan. You may elect to have the lump sum cash payment paid as a Direct Rollover.

TERMS YOU SHOULD KNOW

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

Annuity Starting Date: the first day of the first period for which an amount is paid as an annuity or in any other form. The Annuity Starting Date with respect to a benefit which a participant elects to commence immediately after termination of employment shall generally be the day after the participant goes off-roll.

Beneficiary: the person you designate to receive your benefits under the Cash Balance Plan in the event of your death. If you are married, your Beneficiary is your spouse, unless your spouse consents in writing to your designation of another Beneficiary when you start your pension. In order for your spouse's consent to be valid, it must be witnessed by a notary or Pension Plan representative and filed with the Pension Plan Administrator. If you die without a Beneficiary designation on file at the time of your death, your surviving spouse, or if none, your estate, will be deemed your Beneficiary, provided that the distribution form that applies to your Vested benefit contains a death benefit feature.

For limited purposes under the Consolidated Retirement Plan provisions of the Pension Plan, your domestic partner who is recognized by the filing of a domestic partner certification for the Alcatel USA, Inc. Comprehensive Welfare Benefits Plan with the Company will be entitled to the same rights afforded to a spouse or a surviving spouse, provided, however, that to do so does not violate any provision of the Internal Revenue Code and its accompanying regulations. For more information regarding the rights of your domestic partner under the Cash Balance Plan, please contact the Pension Plan Administrator.

Cash Balance Plan: the Cash Balance Plan component of the Alcatel USA, Inc. Consolidated Retirement Plan that was merged into the Alcatel-Lucent Retirement Income Plan.

CBP Account: a hypothetical account established for you for recordkeeping purposes which reflects Compensation Credits and Interest Credits credited under the Cash Balance Plan.

Company: Alcatel-Lucent USA Inc., each of the Controlled Group Companies, and each Non-Participating Subsidiary Company.

Compensation: includes your base pay, annual incentive plan, overtime, shift differential, commissions and lump sum merit increases. Compensation does not include special payments such as moving expenses, unused vacation pay, one-time bonuses, educational reimbursements, teaching assistance program payments, foreign service premiums, benefits provided under any company benefit program, patent awards and any other awards and payments. Benefit accruals under the Cash Balance Plan ceased effective as of December 31, 2002; therefore, Compensation earned after that date will not be considered for determining your Compensation Credit.

Compensation Credit: from June 1, 1997 through December 31, 2002, as of the last day of each month the company contributed an amount equal to 4% of your Compensation to the Cash Balance Plan. Effective as of December 31, 2002, benefit accruals ceased. Accordingly, Compensation Credits to your CBP Account under the Cash Balance Plan ceased. Any amounts contributed prior to January 1, 2003 were credited to your CBP Account.

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.

Covered Employee Classification: the employee classifications that are eligible to participate in the Cash Balance Plan as described below. For additional details please contact the Pension Plan Administrator (see "Important Contacts").

Effective Dates	Covered Employees
Prior to September 4, 1998	All eligible employees of Alcatel USA, Inc.
September 4, 1998 and prior to April 1, 1999	All eligible employees of: <ul style="list-style-type: none">• Alcatel USA, Inc.;• The Richardson, TX payroll system; and• Richardson, TX employees transferred to the Alcatel Systems International payroll.
April 1, 1999 and prior to January 1, 2001	All eligible employees of: <ul style="list-style-type: none">• Alcatel USA, Inc.;• The Richardson, TX payroll system;• Richardson, TX employees transferred to the Alcatel Systems International payroll; and

January 1, 2001 and prior to January 1, 2003	<ul style="list-style-type: none"> • DSC Communications Corporation payroll system. <p>All eligible employees of:</p> <ul style="list-style-type: none"> • Alcatel USA, Inc.; • The Richardson, TX payroll system; • Richardson, TX employees transferred to the Alcatel Systems International payroll; • DSC Communications Corporation payroll system; • Individuals who received employment offers from Alcatel USA, Inc. or Alcatel USA Marketing, Inc. during 4th Quarter 2000 and reported to work prior to February 1, 2001; and • Individuals who transfer from Alcatel NA Hickory, NC facility or Optronics group of Reston, VA.
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Direct Rollover: a payment of all or part of a lump sum distribution to a traditional IRA, Roth IRA or another employer's qualified retirement plan that accepts rollovers.

Eligible Employee: you are an Eligible Employee if you were hired by a Participating Company prior to January 1, 2001 and you were included in a Covered Employee Classification.

Guaranteed Minimum Benefit: a minimum benefit under the Cash Balance Plan that equals the total value of a participant's Vested CBP Account calculated as of December 31, 2002 converted to a Single Life Annuity payable at your Normal Retirement Date, assuming an interest rate of 5%.

Interest Credit: the interest credited to your CBP Account as of the last day of each month. The Interest Credit rate will be an amount equal to the rate of interest determined each January 1 based on the 24 month average of the 10 year Treasury rates as of the previous October 1.

Joint and Contingent Annuity: an optional form of distribution which provides you with a reduced monthly benefit for life and upon your death your Beneficiary will continue to receive 50%, 75% or 100%, as elected by you, of the amount of your reduced monthly benefit for life. If you are married, your spouse must provide written, notarized consent to your waiver of the Qualified Joint and Survivor Annuity.

Normal Retirement Date: the first day of the month coinciding with or next following your 65th birthday.

Non-Participating Subsidiary Company: any corporation of which more than 50% of the voting stock is owned directly or indirectly by Alcatel-Lucent USA Inc. and which does not participate in the Pension Plan.

Participating Company: a company that participates in the Cash Balance Plan. For information on Participating Companies, contact the Pension Plan Administrator (see "Important Contacts").

Pension Plan: the Alcatel-Lucent Retirement Income Plan.

Pension Plan Administrator: the contact for information and transactions for the Cash Balance Plan provisions of the Pension Plan (see "Important Contacts").

Prior Plan: any one of the Alcatel Network Systems Retirement Plan, the Alcatel Network Systems, Inc. Salaried Retirement Plan, the Alcatel NA, Inc. Retirement Plan for Salaried Employees, as it relates to employees of Alcatel Network Systems, Inc. and the Alcatel USA, Inc. Consolidated Hourly Retirement Plan, as applicable, which were all merged into the Alcatel USA, Inc. Consolidated Retirement Plan.

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/QMCSO 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.

Qualified Joint and Survivor Annuity (QJSA): the normal form of distribution under the Cash Balance Plan if you are legally married when your pension begins. A QJSA provides you with a reduced monthly benefit during your lifetime, and at your death your spouse will continue to receive 50% of the amount of your reduced monthly benefit for his or her life. Alternatively, you may elect that your spouse receive 75% or 100% of your reduced monthly benefit for life, which are optional QJSA forms of benefit under the Cash Balance Plan.

Single Life Annuity: the normal form of distribution under the Cash Balance Plan if you not legally married when your pension begins. With respect to your CBP Account, the Single Life Annuity is a monthly benefit payable for your life, which is the actuarial equivalent of the lump sum value of your CBP Account as of December 31, 2002 (i.e., the date benefit accruals ceased under the Cash Balance Plan), adjusted for Interest Credits to your Normal Retirement Date pursuant to the terms of the Pension Plan.

Totally and Permanently Disabled: a physical or mental condition that entitles you to disability benefits under the Company's long-term disability plan or the Social Security Administration disability program.

Vesting or Vested: you are Vested, meaning you have a nonforfeitable right in your benefit under the Cash Balance Plan, according to the schedule below. However, you will automatically become fully Vested in your benefit if you reach Normal Retirement Age (*i.e.*, age 65) or become Totally and Permanently Disabled while you are still employed by the Company. Also, if you are laid off by the Company due to a reduction in force or are terminated by the Company due to a plant or facility closing and have completed 4 Years of Vesting Service with the Company you will become fully Vested in your benefit on the anniversary of what would have been your 5th Year of Vesting Service with the Company.

Completed Years of Vesting Service	Vested Percentage
Less than 5 years	0%
5 years or more	100%

Year of Vesting Service: each 365-day period which elapses while you are entitled to service credit. Appropriate partial credit will be given for periods of less than 365 days. Service is measured on a monthly basis beginning with the month in which your employment begins and ending with the month in which you separate from employment. However, if less than 12 months passes between the time you separate from employment and are rehired, that time will be credited to you as service under the Cash Balance Plan.

You will have a one-year break in service for each 12-month period that elapses after you quit, retire, or are discharged and do not return to employment with the Company within 12 months of your termination. If you terminate employment with the Company and are subsequently reemployed in a Covered Employee Classification, your Years of Vesting Service earned prior to your termination of employment will be restored based on the following rules. If you terminate employment with the Company after completing 5 Years of Vesting Service, your Years of Vesting Service will be reinstated upon your reemployment. If you terminate employment with the Company before completing five Years of Vesting Service and you are reemployed before you incur 5 consecutive one-year breaks in service, your service before you terminated employment will be reinstated and will be considered in determining your Years of Vesting Service.

All periods of employment with the Company are aggregated in determining your Years of Vesting Service. Special rules apply in determining whether a break in

service has occurred in cases of maternity and paternity leaves. Generally, you will receive credit for the first 12 months of any approved absence (vacation, holiday, sickness, disability, leave of absence) and any maternity or paternity leave.

You may also receive credit for service performed with a previous employer if that employer merged with or was acquired by the Company. You should contact the Pension Plan Administrator if you have questions about Years of Vesting Service credit.

IMPORTANT CONTACTS

Here is a list of resources for the Pension Plan.

PENSION PLAN ADMINISTRATOR

The Pension Plan Administrator is the official source for all pension and pension-related services for Eligible Employees and provides the following services:

- Pension calculations
- Pension-affecting record changes
- Pension commencement processing
- Death case processing
- Annuitant pension administration
- General pension and pension-related information
- Pension check processing and adjustments.

By Phone

You can reach the Pension Plan Administrator through the HR Service center at 1-888-582-3684 on any business day from 9:00 a.m. to 6:00 p.m., Eastern Time.

By Mail

You may send written correspondence to the Pension Plan Administrator by regular mail, as follows:

Pension Plan Administrator
Alcatel-Lucent
M/S BENF1
3400 W Plano Pkwy
Plano, TX 75075

OTHER RESOURCES

The following sources have specific responsibilities, as explained below:

Contact / Service Provided	Address
QDRO/QMCSO Administration: Handles matters relating to Qualified Domestic Relations Orders (QDROs) Qualified Medical Support Orders (QMCSOs) and interrogatories regarding the Pension Plan.	QDRO/QMCSO Administration Alcatel-Lucent M/S BENF1 3400 W Plano Pkwy Plano, TX 75075
Subpoenas regarding the Pension Plan should be served directly to:	Jackson Lewis Attention: V.A. Cino, Esq. 220 Headquarter Plaza East Tower, 7 th Floor Morristown, NJ 07960
Employee Benefits Committee: Serves as final review committee for Pension Plan benefit appeals.	Employee Benefits Committee Alcatel-Lucent Room 7C-415 600-700 Mountain Avenue Murray Hill, NJ 07974
Pension Plan Administrator: Assists Employee Benefits Committee in the administration of the pension provisions of the Pension Plan including granting and denial of claims for pension benefits.	Pension Plan Administrator Alcatel-Lucent M/S BENF1 3400 W Plano Pkwy Plano, TX 75075

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 payment for benefits. A claim may also be filed if it is believed that Years of Vesting Service has not been computed correctly. Send all written claims for pension matters to Pension Plan Administrator, Alcatel-Lucent, M/S BENF1, 3400 W Plano Pkwy, Plano, TX 75075.

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:

- 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 reasons for the decision(s), 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 received the claim.
- If the Pension Plan Administrator needs more than 90 days to make a decision, a representative will notify you in writing within the initial 90-day period explaining why more time is required. An additional 90 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 you do not hear from the Pension Plan Administrator within the appropriate time frame, 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 or Years of Vesting Service 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 Employee Benefits Committee (EBC), Alcatel-Lucent, Room 7C-415, 600-700 Mountain Avenue, Murray Hill, NJ 07974.

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 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 receipt of the written request for review.

If special circumstances cause the EBC to need more than 60 days to make a decision, a representative will notify you in writing within the initial 60-day period and explain why more time is required. An additional 60 days -- for a total of 120 days -- may be taken if the EBC 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 the EBC does not respond within 60 (or 120) days, 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 EBC shall serve as the final review committee under the Pension Plan. The EBC 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 participation of Eligible Employees 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 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 that you pursue all your claim and appeal rights described above on a timely basis before seeking any other legal recourse regarding claims for benefits or Years of Vesting Service. If you do not hear from the Pension Plan Administrator or the EBC 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 Pension Plan Administrator's office, and at other specified locations, all documents governing the Pension Plan, 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, and copies of the latest annual report (Form 5500 Series) and an updated summary plan description upon written request to the Pension Plan Administrator (see "Important Contacts"). 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 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 if you stop working now. If you are not yet eligible to receive a pension, the statement will tell you how many more years you have to work to earn a nonforfeitable right to a pension. You must request this statement in writing from the Pension Plan Administrator. 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 schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you submit a written request to the Pension Plan Administrator for a copy of the Pension Plan documents and you do not receive them within 30 days, you may file suit in a federal court. In such cases, the court may require the Pension 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 Pension 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 Pension Plan Administrator (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 Pension Plan Administrator, contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or 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.

FAMILY AND MEDICAL LEAVE ACT OF 1993

For important information regarding the provisions of the Family and Medical Leave Act, please refer to the U.S. Family Medical Leave (FMLA) Policy.

PENSION PLAN DOCUMENTS

This summary plan description summarizes the key features of Cash Balance Plan provisions of the Alcatel USA, Inc. Consolidated Retirement Plan provisions of the Pension Plan. There are separate summary plan descriptions which set forth the key features of the other provisions of the 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 those documents any time during normal business hours at the offices of the Pension Plan Administrator (see "Important Contacts"). If you are unable to examine these documents there, you should write to the Pension Plan Administrator, 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 Pension Plan Administrator. 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. 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 under the Pension Plan, former employees with deferred Vested pensions, and active employees with Vested benefits, the Pension Plan provides that amounts may be allocated 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, 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/QMCSO 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.

Additionally, federal regulations under Internal Revenue Code Section 401(a)(17) limit the annual amount of Compensation used in computing the amount of benefit payable under the Pension Plan. In any event, any amounts to which you may be entitled that are in excess of these limits are paid from Company operating expenses.

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) nonpension 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 Pension 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 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 Pension Plan Administrator shall interpret the Pension Plan provisions and shall have the responsibility for making all discretionary determinations under the Pension Plan.

PENSION PLAN IDENTIFICATION

Plan Name	The official Plan Name is the Alcatel-Lucent Retirement Income Plan.
Plan Sponsor	The Plan Sponsor is Alcatel-Lucent USA Inc.
Plan Administrator	The Pension Plan is administered by the Alcatel-Lucent Employee Benefits Committee.
Agent for Service of Legal Process	<p>You can direct any service of legal process related to the Pension Plan to:</p> <ul style="list-style-type: none">• The 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	<p>Contributions to the pension trust fund are actuarially determined and paid by Alcatel-Lucent USA Inc. into a trust established exclusively for designated Pension Plan purposes. The trust fund is held by the following trustee which has signed a trust agreement with Alcatel-Lucent USA Inc.:</p> <p>BNY Mellon 135 Santilli Highway Everett, MA 02149</p>
Source of Payments	Vested pensions are paid from the pension trust fund.
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 a "defined benefit pension plan" under ERISA.
Plan Number	The Plan Number is 001.
Employer Identification Number	The Employer Identification Number assigned by the IRS is 22-3408857.