

**AVAYA INC.**

**PENSION PLAN FOR SALARIED EMPLOYEES  
ACCOUNT BALANCE PROGRAM**

**SUMMARY PLAN DESCRIPTION**

This document is dated January 1, 2011

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This is a Summary Plan Description (SPD) explaining the provisions of the Account Balance Program (ABP) under The Avaya Inc. Pension Plan for Salaried Employees (Plan) as effective January 1, 2011. More detailed information is provided in the official Plan Document. In all instances, the Plan Document will control and govern the operation of the Plan.

The Board of Directors of Avaya (or its delegate) reserves the right to amend, modify, suspend, change or terminate the Plan at any time. Because of the many detailed provisions of the Plan, no one else is authorized to advise you as to your benefits. For this reason, Avaya cannot be bound by statements made by unauthorized personnel.

Please note that participation in the Plan is neither an offer nor a guarantee of future employment at Avaya. Avaya employees are employees at will, which means that they can terminate their employment at any time and for any reason. Likewise, Avaya may terminate an employee's employment at any time and for any reason.

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## **INTRODUCTION**

The Avaya Inc. Pension Plan for Salaried Employees (The Plan) became effective October 1, 2000. The Plan is a successor to the Lucent Technologies Inc. Pension Plan (Lucent Plan). The Plan is responsible for all benefits accrued by participants under the Lucent Plan who became employees of Avaya on October 1, 2000. Any date before October 1, 2000 referred to in this summary refers to that date under the Lucent Plan.

The Plan was frozen as of December 31, 2003. This means that your Plan benefit will continue to grow with interest credits, but no additional pay credits will be added to your ABP account after January 1, 2004.

This SPD summarizes the key features of the Plan. You can find complete details in the official Plan documents that legally govern the operation of the Plan. All statements made in this SPD are subject to the provisions and terms of those documents.

## **ELIGIBILITY AND PARTICIPATION**

### **Eligibility for the Account Balance Program**

After 2003, no new employees will become participants in the Plan. Before 2004, you were eligible under the Account Balance Program if you were a salaried employee (an employee whose position is not subject to automatic wage progression) or a Business Assistant who worked for a participating company, and you were:

- Hired on or after January 1, 1999;
- Rehired on or after January 1, 1999 and you were not:
  - Service pension or immediate vested pension eligible under the Service Based Program provisions of the Plan or under the provisions of The Avaya Inc. Pension Plan at the time of your prior termination, or
  - Eligible for an immediate bridge of your prior service, which had a continuous service date associated with it of December 31, 1998 or earlier;
- Hired on or after January 1, 1999 and you were covered under the provisions of the Mandatory Portability Agreement (MPA), whether or not you waived MPA coverage;
- Employed by an employer acquired on or after October 1, 1996 and you were not on the active payroll of a participating company on December 31, 1998;
- Hired by an acquired company after its acquisition date and you were not on the active payroll of a participating company on December 31, 1998;
- Originally hired by a non-participating Avaya subsidiary and you subsequently directly transferred to a position covered by the Plan on or after January 1, 1999;
- Transferred from a position covered by The Avaya Inc. Pension Plan to a position covered by the Plan on or after January 1, 1999 and on your date of transfer:
  - Your continuous service date was January 1, 1999 or later, and
  - You were not service pension eligible under the provisions of The Avaya Inc. Pension Plan; or
- A salaried employee hired into Lucent's Data Network Systems Group organization on or after June 1, 1998 and on or before December 31, 1998, and you did not have prior Lucent service or you were covered under the provisions

of the MPA and you waived MPA coverage, and you were not on the active payroll of a participating company on December 31, 1998.

You *are not* eligible to participate in the Account Balance Program provisions of the Plan if you are any of the following:

- An employee covered by the Service Based Program;
- A represented employee or a represented employee temporarily promoted to a salaried position for one year or less;
- A Business Assistant who has been continuously employed since December 31, 1998;
- An active participant in any other pension plan generally similar to the Plan and maintained by Avaya, another participating company, any other Avaya subsidiary or any former affiliate or interchange company;
- A non-resident alien employed outside the United States, unless you were covered by a former plan on September 30, 1980;
- A person who provides services to a participating company, but who is not engaged as an employee of a participating company;
- An individual who is employed by an independent company (such as an employment agency);
- An individual who is not paid from the U.S. payroll of a participating company (except for employees of Avaya of Puerto Rico, Inc.); or
- An individual whose services are rendered pursuant to an agreement excluding participation in the Plan.

## **CALCULATING YOUR PLAN BENEFIT**

Once you become a participant in the Account Balance Program, a hypothetical account (ABP account) is established for you for recordkeeping purposes. Your ABP account grows annually in several ways:

- **Pay credits.** Your ABP account is credited with pay credits based on your age and eligible compensation from the previous calendar year. Because the Plan has been frozen, no additional pay credits will be added to your ABP account after January 1, 2004.
- **Supplemental Credits.** Your ABP account was credited with an additional \$300 on January 1, 2000 and January 1, 2001 if you were employed during 1999 and 2000, respectively. Supplemental Credits were no longer provided under the Account Balance Program after January 1, 2001.
- **Interest credits.** Your ABP account is credited with an annual interest credit. Although the Plan was frozen effective January 1, 2004, your ABP account will continue to be credited with annual interest credits each December as long as there is a balance.

### ***Pay Credits***

Each January 1 on or before January 1, 2004, your ABP account was credited with a pay credit if you were employed by a participating company during the preceding calendar year. The first pay credit was added to your ABP account on January 1, 2000 for calendar year 1999 if you were employed by a participating company during 1999. The last pay credit was added to your ABP account on January 1, 2004 for the 2003 calendar year.

Your pay credit for a given year is based on the percentage of eligible compensation determined under the following table based on your age as of January 1:

<b>Pay Credit Percentage</b>	
<b>Your Age</b>	<b>Percentage</b>
Less than 30	3.00%
30 – less than 35	3.75%
35 – less than 40	4.50%
40 – less than 45	5.50%
45 – less than 50	6.75%
50 – less than 55	8.25%
55 or over	10.00%

To find your percentage, use your age (in completed, full years) on January 1 of the year that the pay credit is added to your account. For example, if you are 37 on January 1, 2004, the pay credit added to your account on January 1, 2004, was 4.50% of your 2003 eligible compensation.

To determine your pay credit, multiply your eligible compensation for the previous calendar year by the appropriate percentage from the table above.

For example, if you were age 44 on January 1, 2004, and your eligible compensation (see below) for 2003 was \$45,000, the pay credit added to your account on January 1, 2004 was:

$$\$45,000 \quad \times \quad 5.50\% \quad = \quad \$2,475$$

### ***Eligible Compensation***

Your eligible compensation includes the following payments before January 1, 2004 made while you were an eligible employee employed by a participating company:

- Your monthly base pay,
- Differentials paid for night tours or for temporary work in a higher classification,
- Lump sum merit wage payments,
- Short-term incentive compensation plan awards,
- Marketing and sales incentive compensation, and
- Area differentials.

Any other types of compensation you may have received is not eligible compensation.

If you are on a leave of absence to work for a joint venture company your eligible compensation is determined the same way. There are, however, some special rules. These rules will be explained to you if you are affected by them.

### **Supplemental Credit**

If you were employed by a participating company during 1999 and/or 2000, a supplemental credit was added to your ABP account on January 1, 2000 and January 1, 2001, respectively. If you were employed for the full year, you received a \$300 supplemental credit. If you were employed by a participating company for less than the full year, then your supplemental credit equaled \$25 (that is \$300/12) multiplied by your full and partial months of employment with a participating company during that year.

### **Interest Credit**

Your ABP account is credited with an annual interest credit so the value of your account compounds with interest over time. Each calendar year that your ABP account has a balance, interest credits are added to your ABP account at the end of that year -- even if you no longer work for a participating company.

Your annual interest credit goes into your account on December 31 of each year. It is determined by multiplying your ABP account balance on December 31 by the interest rate in effect for that year.

Unless Avaya amends the Plan to provide for a higher interest rate, the interest rate is 4%. The interest rate will not be less than 4% or more than 10%.

The interest credits are based on the applicable annual interest rate for the periods shown in the following table:

<b>Year</b>	<b>Interest Rate</b>
2000	6.5%
2001	7.0%
2002	6.5%
2003 and beyond	4.0%

### **Interest Credit Example**

Assume your ABP account balance is \$2,500 on December 31, 2003. Your interest credit for December 31, 2003 would be determined as follows:

\$2,500 (Account Balance on 12/31/2003)	X	4.0% (Interest Rate for 2003)	=	\$100.00 (Interest added on 12/31/2003)
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## **WHEN ABP BENEFITS ARE PAYABLE**

If your employment terminates for any reason after you are vested, you are entitled to receive an immediate distribution of your ABP benefit, regardless of your age at that time.

If the present value of your vested ABP benefit exceeds \$1,000, you may leave the balance in your ABP account and allow it to continue to grow with annual interest credits. You may elect to begin your benefit at any time before age 70½. You must, however, begin your benefit by April 1 of the year following the year in which you reach age 70½.

No benefit will be paid if you are not vested when your employment terminates.

### **Vesting**

You become vested on the earlier of:

- Completing three years of vesting service (before January 1, 2008, five years of vesting service),
- Reaching normal retirement age while a participant in the Plan on the active roll,
- The date you become vested in The Avaya Inc. Pension Plan, or
- The date you terminate due to the divestiture or sale of your work group.

### **Normal Retirement Age**

Your normal retirement age if you were hired by a participating company before age 60 is your 65th birthday. If you were hired on or after your 60th birthday, your normal retirement age is the earlier of (1) the date of your fourth or fifth anniversary of participation in the Plan (if you are on the active roll on that date), or (2) the date you complete five years of vesting service.

### **Vesting Service**

Your vesting service is your years, months and days beginning when you first perform an hour of service for Avaya or any of its subsidiaries until your severance date. You do not receive vesting service for any service before your 18<sup>th</sup> birthday.

Your severance date for vesting purposes is the earlier of:

- The date on which you resign, retire, are discharged or die, or

- The first anniversary of the first date of a period in which you remain absent from service (with or without pay) for any reason other than resignation, retirement, discharge or death.

Accordingly, you receive vesting service for up to 12 months while you are on layoff or a leave of absence, or after your termination due to disability. If you are rehired within 12 months of your severance date, you also receive vesting service for the period of your absence.

Subject to the applicable vesting service bridging rules, your vesting service also includes:

- Service while employed by a participating company,
- Service while employed by a non-participating Avaya subsidiary,
- Prior service while employed in a position covered under The Avaya Inc. Pension Plan, and
- Subject to the applicable benefit agreement, pre-acquisition service with a company acquired by Avaya.

See "Appendix A" for special service rules that may apply to you.

If you are a nonvested employee who transfers into the Plan from a plan using the hours of service method, such as The Avaya Inc. Pension Plan, special vesting service rules will apply.

### ***Break in Vesting Service***

You have a break in vesting service if you have a severance date and you do not return to the active payroll within 12 months of your severance date.

If you have a break in vesting service, your vesting service before the break will not be added to your vesting service after the break until it is bridged as follows:

- If you were vested under the Plan on your severance date, you cannot lose credit for those years. In that case, your vesting service before the break bridges when you again become a participant in the Plan.
- If you were not vested on your severance date, have a break in vesting service and are later re-employed, your vesting service before the break bridges:

<b>If Your Vesting Service Before the Break Was:</b>	<b>Your Vesting Service Before the Break Is Bridged On:</b>
Longer than your break in vesting service, or your break in vesting service is fewer than five years	The day you again become a participant in the Plan
Equal to or shorter than your break in vesting service, and your break in vesting service is five years or more	The second anniversary of your return to work

If your break in vesting service occurred before January 1, 1976, your vesting service before the break will be bridged only if you completed at least six continuous months of service before the break.

If your service before the break is bridged more rapidly under the following bridging rules than under the vesting service bridging rules above, your vesting service will be bridged on the date indicated below:

<b>Bridging Rule</b>	<b>Requirements</b>	<b>When Service Is Bridged</b>
Six Months	You must be rehired within six months.	Immediately.
Two Years	You must have at least six months of service before the break and the break must be longer than six months.	After you return to work for at least two continuous years.
Layoff	You are temporarily laid off for six or fewer months and are rehired into a regular position.	Immediately. You will also receive service for the layoff.
	You are temporarily laid off for more than six months but less than three years and are hired into a regular position.	Immediately. You will not receive service for any period of the layoff (including the first six months).
	You are temporarily laid off, rehired in a temporary position and then reclassified into a regular position six or fewer months after your layoff date.	Immediately. You will also receive service for the layoff.
	You are temporarily laid off, rehired in a temporary position and then reclassified into a regular position more than six months but less than three years after your layoff date.	Immediately. You will not receive service for any period of the layoff (including the first six months).

### **When Your ABP Benefit Begins**

Your benefit payments will begin as of the first day following the date you terminate employment if you elect to begin receiving your ABP account as an annuity during:

- The 90-day period immediately before your benefit is to begin, or
- If later, the 90-day period following the date your ABP benefit commencement package is mailed to you.

If you do not elect to receive your ABP benefit during that 90-day period, your ABP benefit payments will begin as of the first day after the date you notify the Avaya Pension Service Center that you want to begin receiving your benefit, provided you return your new commencement package within 90 days.

### **When You Receive Your First Pension Check**

If you return the necessary paperwork in a timely manner and elect to receive your ABP account as an annuity, you should receive your first annuity ABP benefit check around the first day of the month that is at least 30 days after your ABP benefit begins. Your first annuity check will include pension payments retroactive to the date when your pension begins.

If you elect to receive your ABP account as a lump sum distribution, you will receive your lump sum check as soon as administratively feasible after you return the necessary paperwork to the Avaya Pension Service Center.

## **HOW ACCOUNT BALANCE PROGRAM BENEFITS ARE PAID**

Your ABP benefit is a single life annuity payable at normal retirement age based on the projected value of your ABP account at normal retirement age. How your ABP benefit is paid depends on a variety of factors, including the value of your vested ABP benefit and the distribution option you choose.

### **General Rules**

*If the present value of your vested ABP account is \$1,000 or less* when your employment ends, your vested benefit is automatically paid to you as a lump sum. You do not have a choice concerning the payment of this benefit. If you receive such a lump sum distribution of your pension, neither you nor your spouse has any further rights to benefits under the Plan.

When your vested ABP benefit is paid as a lump sum, you can select one of the following options for your lump sum:

- A cash payment to you.
- A direct rollover to an IRA or another tax-qualified retirement plan.
- A combination of the options listed above.

*If the present value of your vested ABP benefit exceeds \$1,000* when your employment ends, your benefit will be paid in the normal form (see below) unless you elect to receive payment in an optional form. After your employment ends, you will receive a commencement package from the Avaya Pension Service Center. The package will include a preliminary benefit calculation and information about your payment options.

### **Your Spouse**

For Plan purposes, your spouse is your legal husband or legal wife for federal income tax purposes. As described in this section, your spouse may have certain rights and be entitled to certain survivor benefits if you die after your benefit begins.

### **Your Domestic Partner**

For Plan purposes, an individual (same-gender or opposite-gender) can be your domestic partner if you satisfy either the government registration requirement or the affidavit requirement and submit the necessary documentation.

*Government Registration.* An individual is your domestic partner if you satisfy one of the following requirements and submit a copy of the applicable government registration:

- You have complied with any state or local registration process for domestic partners;
- You reside in a state that recognizes same-gender marriages and you are legally married to your same-gender domestic partner under the laws of that state; or
- You reside in a state that recognizes same-gender civil unions and you have legally entered into such a civil union.

An individual will cease to be your domestic partner when a copy of the applicable government documentation terminating your domestic partnership is filed with the Avaya Pension Service Center.

*Affidavit.* An individual is your domestic partner if you both:

- Reside in the same household as a member of that household,
- Are age 18 or older,
- Have mental sufficiency to enter into a valid contract,
- Are not related to each other by blood,
- Are not legally married to any other person,
- Have a close and committed personal relationship with each other and have no such relationship with anyone else,
- Have joint responsibility for each other's welfare and financial obligations, and
- Complete and file with the Avaya Pension Service Center a notarized Domestic Partner Affidavit and any other required documentation.

An individual will cease to be your domestic partner when a notarized Domestic Partner Termination Affidavit is completed and filed with the Avaya Pension Service Center.

## **Payment Options**

If you have a spouse (as defined above) when your ABP benefit begins, the normal form of payment is the qualified joint and survivor annuity. You may, however, decline the qualified joint and survivor annuity and elect another distribution option with your spouse's written, notarized consent. If you do not have a spouse (as defined above) when your ABP benefit begins, your benefit will be paid as a single life annuity (the normal form), unless you elect otherwise. If you do not have a spouse or domestic partner, the only other payment form available to you is the lump sum option. If you do not have a spouse but do have a domestic partner, the additional payment forms

available to you are a lump sum, a joint and 50% survivor annuity or a joint and 100% domestic partner survivor annuity.

The four payment options available for a vested ABP benefit include:

- **Lump sum option.** You receive a single payment of your vested ABP benefit. If you take a lump sum distribution of your ABP benefit, neither you nor your spouse or beneficiaries have any further rights to benefits under the Plan.
- **Single life annuity.** Under this option, monthly payments are made to you for life with no payments continuing after your death.
- **Joint and 50% survivor annuity.** This payment method is available if you are legally married or have a domestic partner when your pension payments begin. Under this option, you receive reduced monthly payments for life based on the age of you and your spouse or domestic partner (as the case may be) when your pension begins. If your spouse or domestic partner (as the case may be) is still living at the time of your death, your spouse or domestic partner (as the case may be) receives 50% of the reduced monthly payments for life. If you receive your pension as a joint and 50% survivor annuity, your spouse or domestic partner (as the case may be) when your pension begins is entitled to the survivor annuity even if you are later separated or divorced (or end your domestic partnership). If you elect this option and your spouse or domestic partner (as the case may be) dies before you but after your pension has begun, you will continue to receive the reduced monthly pension for life.
- **Qualified joint and survivor annuity.** This payment method is available if you are legally married when your pension payments begin. Under this option, you receive reduced monthly payments for life based on the age of you and your spouse when your pension begins. If your spouse is still living at the time of your death, your spouse receives 100% of the reduced monthly payments for life. If you receive your pension as a qualified joint and survivor annuity, your spouse when your pension begins is entitled to the survivor annuity even if you are later separated or divorced. If you elect this option and your spouse dies before you but after your pension has begun, you will continue to receive the reduced monthly pension for life.
- **Joint and 100% domestic partner survivor annuity.** This payment method is available if you have a domestic partner when your pension payments begin. Under this option, you receive reduced monthly payments for life. These payments are reduced based on your age and the age of your domestic partner when your pension begins. If you die before your domestic partner, your domestic partner receives 100% of the reduced monthly payments for life. If you receive your pension as a joint and 100% domestic partner survivor annuity, your domestic partner when your pension begins is entitled to the survivor annuity

even if you later terminate your domestic partnership. If you elect this option and your domestic partner dies before you but after your pension has begun, you will continue to receive the reduced monthly pension for life.

### Calculating an Annuity Benefit

If you elect to receive your vested ABP benefit as an immediately payable monthly annuity, your ABP account will be converted to an immediately payable single life annuity. To convert your ABP account balance to a single life annuity, a hypothetical age 65 account balance is calculated by adding interest credits of 4% per year for any future years. This hypothetical age 65 account balance is then converted to a single life annuity payable at age 65 by applying the Account Balance Program's age 65 annuity factor. If you begin receiving annuity payments before age 65, your age 65 single life annuity will be reduced for early commencement by the Account Balance Program's early reduction factors because your benefit may be paid over a longer period.

If you elect the joint and 50% survivor annuity, the qualified joint and survivor annuity, or the joint and 100% domestic partner survivor annuity, your immediately payable single life annuity is reduced based on your age and that of your spouse or domestic partner (as the case may be) when your payments begin because payments may be paid over two lifetimes -- yours and your spouse's or domestic partner's.

#### **Example: Joint and 50% Survivor Annuity**

The following is an example of an ABP benefit under the joint and 50% survivor annuity payment option. This example assumes:

- You are age 56 when your benefit begins.
- Your spouse (or domestic partner) is age 55 when your benefit begins.
- Your monthly immediately payable single life annuity is \$1,000.00.

Your monthly benefit as an immediately payable single life annuity	\$1,000.00
Less 6% reduction* for joint and 50% survivor annuity (\$1,000 x .06 = \$60)	<u>- \$60.00</u>
Reduced Monthly Benefit	\$940.00
Your spouse's (or domestic partner's) monthly benefit if you die first (\$940 x .50 = \$470)	\$470.00

- \* For the reduction factor that applies to your situation, call the Avaya Pension Service Center. When you call, you should be prepared to provide your spouse's age.

## **SURVIVOR BENEFITS**

### **Your Spouse**

For Plan purposes, your spouse is your legal husband or legal wife for federal income tax purposes. As described in this section, your spouse may be entitled to certain survivor benefits if you die.

### **Your Domestic Partner**

As described in this section, your domestic partner may be entitled to certain survivor benefits if you die. For Plan purposes, your domestic partner is an individual who meets the requirements described under "Your Domestic Partner" in the section titled "How Your Account Balance Program Benefits are Paid."

### **If You Die Before Beginning Your ABP Benefit**

If you die before beginning to receive your vested ABP benefit, the value of your benefit will be distributed as follows:

- If you are legally married when you die, your spouse may elect to receive the full value of your vested ABP benefit distributed as either a lump sum or a single life annuity starting at any time after your death and on or before the April 1 following the year in which you would have reached age 70 ½.
- If you have a domestic partner when you die, your domestic partner may elect to receive the full value of your vested ABP benefit distributed as either a lump sum within five years of your death or a single life annuity starting at any time after your death and before the one year anniversary of your death.
- If you are not legally married and do not have a domestic partner when you die, the full value of your ABP account is distributed to your estate as a single lump sum payment as soon as administratively feasible after your death.

### **If You Die After Your ABP benefit Starts**

If you die while receiving annuity ABP benefits, any survivor benefit is paid in accordance with the terms of the annuity you were receiving at the time of your death.

## **SERVICE BASED PROGRAM BENEFITS**

Some participants have an ABP account and a pension benefit under the Service Based Program. If you have an ABP account and a pension benefit under the Service Based Program, your ABP account will be paid under the rules described in this SPD and your pension benefit under the Service Based Program will be paid according to the rules for that program. For a copy of the Service Based Program SPD, contact the Avaya Pension Service Center.

## **EMPLOYMENT-RELATED EVENTS**

### **If You Are Planning to Retire**

If you are planning to retire, you should request a commencement package from the Avaya Pension Service Center up to 90 days before your desired retirement date (see “When ABP Benefits Are Payable”).

### **If You Take a Leave of Absence**

If you take an approved unpaid leave of absence, your ABP account will continue to be credited with interest credits while you are on leave.

If you take an approved paid leave, your ABP account will be credited with pay credits for your leave based on the eligible compensation paid to you during your leave. In addition, your ABP account will continue to be credited with interest credits while you are on leave.

### **If You Are Rehired After You Begin Receiving Your ABP benefit as an Annuity**

Your pension payments under the Plan may be suspended if you return to work for Avaya or an interchange company after beginning to receive annuity payments of your vested ABP benefit. If this situation applies to you, contact the Avaya Pension Service Center for more information on the applicable rules.

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

If you received a lump sum payment of your vested ABP benefit, and are rehired by a participating company into a position covered by the Account Balance Program, you will not be permitted to repay your lump sum. Your prior Avaya service will be recognized, subject to applicable bridging rules, for all purposes under the Plan except pension accrual.

In the event that you are hired by an interchange company and you are covered by the interchange agreement, you can repay your lump sum with interest, solely for purposes of transferring your pension benefit and related assets to the interchange company’s pension plan of the hiring former affiliate.

### **If You Transfer**

If you transfer to another participating company, it will not affect your Plan participation.

If you transfer to a non-participating Avaya subsidiary, either directly or with a break in service, your continuous service with the non-participating Avaya subsidiary will be recognized under the Plan (subject to the applicable service bridging rules) for determining vesting service.

Service with the non-participating Avaya subsidiary will *not* be recognized for:

- Determining the amount of your benefit under the Plan, or
- Bridging prior service that is subject to an interchange agreement.

If you are employed by a non-participating Avaya subsidiary that is less than 80% but more than 50% owned by Avaya, you may elect to begin your vested benefit under the Plan.

If you are employed by a non-participating Avaya subsidiary that is less than 50% owned, your service with that entity will not be recognized for any purpose under the Plan.

***If You Transfer From the Account Balance Program to The Avaya Inc. Pension Plan***

If you transfer from a position covered by the Account Balance Program to one covered by The Avaya Inc. Pension Plan, your benefits under the Account Balance Program are transferred to The Avaya, Inc. Pension Plan, and your pension benefits will be calculated under the terms of The Avaya Inc. Pension Plan.

***If You Transfer From The Avaya Inc. Pension Plan to This Plan***

If you transfer after December 31, 2009 from a position covered by The Avaya Inc. Pension Plan to one covered by the Plan, your benefits under The Avaya Inc. Pension Plan are not transferred to the Plan.

Pension benefits for employees who transfer before January 1, 2004 and whose continuous service date on their date of transfer from The Avaya Inc. Pension Plan to the Plan is on or after January 1, 1999, and who are not service pension eligible under the terms of The Avaya Inc. Pension Plan on their date of transfer, are covered under the Account Balance Program provisions of the Plan. (what if the NCS is after 2003? They would be in no plan.)

***If you transferred before January 1, 2004, your benefit is calculated as follows:***

*For the first year of service following the date of transfer from The Avaya Inc. Pension Plan to the Plan:*

If you terminate employment before completing at least one year of service after you transfer, your pension benefit will be determined in accordance with The Avaya Inc. Pension Plan rules in effect on your last day on Avaya's active payroll based on your service before January 1, 2004, with the associated rights and features of The Avaya Inc. Pension Plan. The pension band assigned to your job title/grade level/occupation on the date before the date of your transfer to the Plan, as well as any pension

includable supplemental payments for the 36-month period ending on the date before the transfer, will be used in determining the amount of your pension benefit.

*After one year of service following the date of transfer from The Avaya Inc. Pension Plan to the Plan:*

- For service before your transfer to the Plan, your pension benefit will be determined under the provisions of The Avaya Inc. Pension Plan in effect on your last date of participation in that plan. Your pension benefit will be frozen as of the date of transfer to the Plan and will be subject to the rights and features of The Avaya Inc. Pension Plan.

PLUS

- A benefit computed under the Account Balance Program provisions after your transfer to the Plan.

The rights and features associated with The Avaya Inc. Pension Plan include:

- Eligibility rules,
- Early commencement rules and reduction factors for service pensions,
- Survivor annuity options and cost factors, and
- Distribution options.

***If You Transferred On or After January 1, 2004 and Before January 1, 2010, your benefit is calculated as follows:***

Your benefit is determined in accordance with The Avaya Inc. Pension Plan rules in effect on your transfer date, with the associated rights and features of The Avaya Inc. Pension Plan. The amount of your pension benefit is determined based on the pension band assigned to your job title/grade level/occupation on the day before your transfer to the Plan (and its associated value), as well as any pension includable supplemental payments for the 36-month period ending on the day before the transfer. Your additional net credited service after your transfer will only count for purposes of determining the early commencement rules and reduction factors that apply to your benefit.

The rights and features associated with The Avaya Inc. Pension Plan include:

- Eligibility rules,
- Early commencement rules and reduction factors for service pensions,

- Survivor annuity options and cost factors, and
- Distribution options.

**If You Work Beyond Age 70½**

If you continue to work beyond age 70½, you will not receive your ABP benefit while you are still working. Your vested ABP benefit will begin after your termination.

## IMPORTANT CONTACTS

Here are some ways to have your Plan questions answered.

### Avaya Pension Service Center

The Avaya Pension Service Center is the official center for all pension and pension-related services for participants in the Plan

#### **By Phone**

You can reach the Avaya Pension Service Center on any business day from 9:00 a.m. to 6:00 p.m., Eastern time as follows:

<b>Domestic Employees</b>	<b>International Employees</b>
Call 1-800-750-7300 to speak with a service representative.	To contact the Avaya Pension Service Center from international locations without access to toll-free numbers, call 1-904-791-2011 collect to speak with a service representative.

Hearing impaired employees may call 1-877-369-7596 to reach a telecommunications device for the deaf (TDD).

#### **By Mail**

You may send written correspondence to the Avaya Pension Service Center by regular mail or express mail at the following address:

The Avaya Pension Service Center  
P.O. Box 56225  
Jacksonville, FL 32241-6225

### Other Resources

The following sources have specific responsibilities, as explained below:

<b>Contact/Service Provided</b>	<b>Address</b>
<p><b>Domestic Relations Matters Group:</b> Handles matters relating to Qualified Domestic Relations Orders (QDROs) and subpoenas and interrogatories regarding the Plan.</p>	<p>Domestic Relations Matters Group Aon Hewitt 400 Atrium Drive 5<sup>th</sup> Floor South Somerset, NJ 08873 1-732-302-2178</p>
<p><b>Employee Benefits Committee:</b> Serves as final review for Plan benefit claims.</p>	<p>Employee Benefits Committee Avaya Inc. 211 Mt. Airy Road Basking Ridge, NJ 07920</p>
<p><b>Pension Plan Administrator:</b> Assists the Employee Benefits Committee in the administration of the pension provisions of the Plan including review of claims for pension benefits.</p>	<p>Pension Plan Administrator Avaya Inc. 211 Mt. Airy Road Basking Ridge, NJ 07920</p>
<p><b>Investment Committee</b> Invests the Plan's assets.</p>	<p>Investment Committee Avaya Inc. 211 Mount Airy Road Basking Ridge, NJ 07920 (908) 953-6000</p>

## **OTHER IMPORTANT INFORMATION**

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

### **Claim and Appeal Procedures**

#### ***Claim Procedures***

Participants, their beneficiaries (if applicable) or any individual duly authorized by them have the right under ERISA and the Plan to file a written claim for benefits with the Pension Plan Administrator (see "Other Resources"). Claims for pension matters should be sent to the Pension Plan Administrator.

If a claim for benefits is denied in whole or in part, the claimant will receive a written notice of the decision from the Pension Plan Administrator within 90 days after the Pension Plan Administrator received the claim. The written notice will include:

- The specific reason(s) for the denial,
- Reference to the specific Plan provisions on which the denial was based,
- A description of any additional material or information necessary for the claimant to complete the claim and an explanation of why the material or information is necessary,
- A statement that you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim,
- Information about the steps to be taken if you, your dependent, or an authorized representative wishes to submit the claim for review, and
- A statement regarding your right to bring an action under Section 502(a) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), 29 U.S.C. 1132(a).

If the Pension Plan Administrator needs more than 90 days to make a decision, you will receive a notice in writing within the initial 90-day period and explaining why more time is required. An additional 90 days (for a total of 180 days) may be taken if the Pension Plan Administrator sends this notice. The extension notice will show the date by which the decision of the Pension Plan Administrator will be sent.

If a claim for benefits is denied in whole or in part, an appeal process is available to you. You, your dependents or your authorized representative may appeal in writing within 60 days after the denial is received.

## **Appeal Procedures**

A claimant can appeal a denied claim. If you wish to file an appeal, you must do so in writing within 60 days of receiving notification of the decision from the Pension Plan Administrator. In connection with preparing your appeal, you or your representative can request, free of charge, copies of all documents, records, and other information relevant to your claim. If you believe an error has occurred, you can support your request by giving the reason you think there is an error. Also, whenever possible, send copies of any documents or records that support your appeal. Whether or not you can provide such additional information, your claim will be reconsidered after your request is received. Send a written request for review of any denied claim (including sickness and death benefit claims) directly to the Secretary of the Employee Benefits Committee (see "Important Contacts").

The Employee Benefits Committee will conduct a review and make a final decision within 60 days after receiving the written request for review.

If special circumstances cause the Employee Benefits Committee 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 Employee Benefits Committee sends this notice.

The decision will be in writing and will include:

- The specific reason(s) for the denial,
- Reference to the specific Plan provisions on which the denial was based,
- A statement that you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim, and
- A statement regarding your right to bring an action under Section 502(a) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), 29 U.S.C. 1132(a).

The Employee Benefits Committee shall serve as the final review committee under the Plan. However, you or your beneficiary may have additional rights under ERISA. Applicable law and the 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.

The Employee Benefits Committee and Pension Plan Administrator have the full discretionary authority and power to control and manage all aspects of the Plan, to determine eligibility for benefits, to interpret and construe all terms and provisions of the Plan, to determine questions of fact and law, and to adopt rules for the administration of the Plan as they may deem appropriate in accordance with the terms of the Plan and all applicable laws.

## **Your Rights Under ERISA**

The Plan is a defined benefit pension plan under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all Plan participants shall be entitled to:

### ***Receive Information About Your Plan and Benefits***

Examine, without charge, at the Pension Plan Administrator's office and at other specified locations, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Pension Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Pension Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age (generally age 65) and, if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every twelve months. The Plan must provide the statement free of charge.

### ***Prudent Actions by Plan Fiduciaries***

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other 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 Plan benefit or exercising your rights under ERISA.

## **Enforce Your Rights**

If your claim for a Plan benefit 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 request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Pension Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Pension Plan Administrator.

If you have a claim for benefits which 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 Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should 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 these costs and fees; for example, if it finds your claim is frivolous.

## **Assistance with Your Questions**

If you have any questions about the Plan, you should contact the Pension Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest 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 Employee Benefits Security Administration Brochure Request Line at 1-800-998-7542, on the Internet at <http://www.dol.gov/ebsa/publications/main.html>, or by contacting the Employee Benefits Security Administration field office nearest you.

## **Plan Amendment or Termination**

The Board of Directors of Avaya Inc. (or its delegate) reserves the right to modify, suspend, change or terminate the Plan at any time. If the Plan were terminated, you could still have rights to future benefit payments, but you would not earn any further pension rights under the Plan, even if you continued employment with a participating company. Participants may also have certain rights to benefits insured by the Pension Benefit Guaranty Corporation.

If the Plan were terminated, the rights of all affected participants and beneficiaries to pension benefits computed as of the termination date would become nonforfeitable to the extent that there are sufficient assets in the pension trust fund to cover those benefits.

In the event of a Plan termination, Plan assets will be allocated to benefit categories in a particular order. Beginning with the benefit category that has first claim on Plan assets, payment will be made for:

- benefits for retirees or beneficiaries that are or could be in effect as of the beginning of the three-year period ending with the Plan's termination.
- benefits generally guaranteed by the Pension Benefit Guaranty Corporation (PBGC);
- benefits that are nonforfeitable (vested) under the Plan;
- all other benefits under the Plan.

Assets will be allocated to the categories in this order until assets run out.

Following termination of the Plan, any assets in the Disability Trust, after satisfaction of all liabilities for disability pensions under the Plan, may be used to provide other permissible benefits to eligible employees.

### **Benefits Cannot be Assigned**

Generally, you or your beneficiary cannot assign or transfer amounts payable under the Plan, nor can amounts payable to you under the Plan be used to pay debts or obligations of any nature. However, the Plan is required to comply with court-issued Qualified Domestic Relations Orders (QDROs) and qualified tax levies. See the Domestic Relations Matters Group under "Important Contacts" for details on who to contact if your pension benefit is subject to a QDRO, or to obtain (without charge) a copy of the Plan's procedures governing QDROs.

### **No Contract of Employment**

The Plan does not constitute a contract of employment. Participation in the Plan will not give you the right to remain employed by a participating company.

### **Top Heavy Rules**

If the Plan becomes top heavy, special rules will apply. If the Plan ever becomes top heavy, you will be notified.

## **Benefit 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. 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) currently limit the annual amount of compensation used in computing the amount of benefit payable under the Plan.

In any event, any amounts to which you may be entitled that are in excess of these limits are paid under The Avaya Inc. Supplemental Pension Plan.

## **Pension Benefit Guaranty Corporation**

Your pension benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the 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 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 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 Plan terminates; (2) some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough for Avaya; (4) benefits for which you have not met all of the requirements at the time the 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 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 the Plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, 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 Web site on the Internet at <http://www.pbgc.gov>.

## ADMINISTRATIVE INFORMATION

<b>Plan Name</b>	The official Plan name is The Avaya Inc. Pension Plan for Salaried Employees.
<b>Plan Sponsor</b>	Avaya Inc. 211 Mt. Airy Road Basking Ridge, NJ 07920
<b>Participating Employers</b>	Subsidiaries and affiliates for Avaya Inc. that have adopted the Plan are participating employers. You may find out if an employer is a participating employer or request a list of the participating employers by writing to the Pension Plan Administrator.
<b>Type of Administration</b>	The Account Balance Program provisions of the Plan are administered by the Employee Benefits Committee (the "EBC") and the Pension Plan Administrator appointed by the EBC to assist in the day-to-day administration. The Investment Committee is responsible for investing the Plan's assets.
<b>Pension Plan Administrator and Agent for Service of Legal Process</b>	The Pension Plan Administrator is the agent for service of legal process. The address and telephone number of the Pension Plan Administrator are:  Pension Plan Administrator Avaya Inc. 211 Mt. Airy Road Basking Ridge, NJ 07920 (908) 953-6000  Legal process may also be served on the Trustee
<b>Plan Records and Plan Year</b>	The Plan and all its records are maintained on a calendar year basis, beginning on January 1st and ending on December 31st of each year.
<b>Type of Plan</b>	The Plan is both a "defined benefit pension plan" and a "welfare plan" under ERISA. It is a defined benefit pension plan for your Account Balance Program benefit. It is a welfare plan for purposes of the disability benefit under the Plan's Service Based Program.
<b>Employer Identification Number</b>	The Employer Identification Number assigned by the IRS to Avaya Inc. is 22-3713430.

<b><i>Plan Number</i></b>	The Plan numbers assigned by Avaya are: <ul style="list-style-type: none"><li>• 001 for pensions paid from the pension trust fund, and</li><li>• 536 for disability pensions under the Plan's Service Based Program.</li></ul>
<b><i>Source of Payments</i></b>	Your vested benefit is paid from the pension trust fund. The trustee of the pension trust fund is:  The Bank of New York Mellon 135 Santilli Highway Everett, MA 02149

## **APPENDIX A: SPECIAL RULES AND AGREEMENTS AND YOUR PENSION**

### **Interchange Companies**

Interchange companies are companies covered by the Mandatory Portability Agreement (MPA), including AT&T Corp., Ameritech Corporation, Bell Atlantic Corporation, Telcordia Technologies (formerly Bell Communications Research, Inc.), 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., certain but not all of their subsidiaries, and other eligible companies as may be added from time to time.

The Avaya Pension Service Center maintains a list of all companies covered by the MPA.

### **Divestiture Interchange Agreement**

If you had Bell System service before divestiture on January 1, 1984, that service was assigned to the pension plan of the former Bell System 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 the divestiture date, your previous service was assigned to the pension plan of the former Bell System company where you last worked.

### **Mandatory Portability Agreement (MPA)**

The MPA is an agreement effective January 1, 1985 between AT&T and the 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.

### **MPA Coverage**

Your coverage under the MPA depends on your employment status on:

- 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:

- As of December 31, 1983, you must have been:
  - 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 with an annual base rate of pay (as defined below) of \$50,000 or less.
- As of your date of termination from an interchange company, you must be:
  - Employed in a position covered by the interchange company's occupational (represented) or management (salaried) pension plan, and
  - Employed in a non-supervisory position, or if in a supervisory position, with 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, you must be:
  - Employed in a position covered by the interchange company's occupational (represented) or management (salaried) pension plan, and
  - Employed in a non-supervisory position, or if in a supervisory position, with 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 the relevant point in time. 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 are covered by MPA, meeting the requirements described above.

- Your benefit under your old employer's plan will be transferred to your hiring company's pension plan and you will receive credit for your service and compensation, if you go directly from one interchange company to another.
- If you do not go directly from one interchange company to another, your service with your old interchange company employer may be bridged under the terms of

the hiring interchange company's pension plan. If your service is bridged, your benefit under your old employer's pension plan will be transferred to your hiring company's pension plan and you will receive credit for your service and compensation.

- If your pension benefit is transferred from your old employer's pension plan to the hiring company's pension plan, your pension under the hiring company's plan will equal the greater of:
  - The sum of (a) your benefit under the transferring company's pension plan (based on your service when you left) and (b) your benefit under the hiring company's plan (based on your service after your transfer).
  - Your benefit under the hiring company's pension plan (based on all of your interchange company service).

*Important Note:* Remember that you are not eligible for the Service Based Program if you are hired by Avaya on or after January 1, 1999 regardless of whether or not you waive your rights under MPA. This means that you never become a participant in the Service Based Program if you are hired on or after January 1, 1999 even if your service date under the MPA rules is before January 1, 1999.

If you are otherwise eligible for coverage under the MPA, and are hired by a company that is not an interchange company but it:

- 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 (participation, vesting 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 purposes of bridging service under the MPA. If, however, 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 service bridging rules), service with the above-described non-interchange company will also be recognized for pension purposes (but not for any other benefit or personnel purposes).

### ***Waiving MPA***

You can waive your rights under the MPA. If you meet the eligibility criteria described above, you will be provided with a detailed summary regarding the impact of such a waiver and given a chance to waive portability.

The decision to waive portability is a personal choice that you need to make based on your situation. When making the decision, you should consider the following:

- The waiver is irrevocable and waives all of your future rights under MPA, even if you are hired by another interchange company.
- If you receive pension payments from an old employer that is an interchange company, those pension payments will stop if you do not waive coverage under the MPA.
- If you are hired by a participating company on or after January 1, 1999, you *are not* eligible to participate in the Service Based Program, regardless of whether or not you waive your rights under the MPA.
- If you are eligible for retiree health and/or welfare benefits from an old employer that is an interchange company, those benefits could terminate if you do not waive coverage. *Note:* If you are hired on or after January 1, 1999, you are not eligible for company-subsidized retiree health benefits from Avaya. You may, however, be able to purchase retiree health coverage at group rates.
- If you waive portability, you will be considered a new employee and will not receive credit for your service with other interchange companies except for limited purposes (see “Bell System Divestiture Vesting Service Rules,” “AT&T Divestiture Vesting Service Credit Rules” and “Lucent Divestiture Vesting Service Rules”).

### **Service Recognition Under Certain Corporate Transactions**

The Plan may recognize service for certain purposes, for employees as a condition of certain corporate transactions (e.g., acquisitions). If this applies to you, you will be informed in a separate document.

### **Foreign Affiliate and Joint Venture Employment**

If you are a salaried employee who is temporarily reassigned to or granted a leave of absence to accept employment with a foreign affiliate, you may continue to participate in the Plan as long as you do not participate in another funded plan of deferred compensation related to compensation paid by the foreign affiliate.

If you are reassigned to a foreign affiliate or granted a leave of absence to work for a foreign affiliate or joint venture company that is not a foreign affiliate, compensation you earn while employed by such entity may be included in the calculation of a pension under the Plan, subject to limitations established by the Employee Benefits Committee.

## APPENDIX B: SERVICE BASED PROGRAM ELIGIBILITY

You are covered under the Service Based Program provisions of The Avaya Inc. Pension Plan for Salaried Employees if you are a salaried employee who works for a participating company and are in one of the following categories:

- Hired or rehired before January 1, 1999 and were on the active payroll of a participating company on December 31, 1998;
- Covered by the Service Based Program under the Plan, go on an approved leave of absence and returned to the active payroll by the end of your leave;
- Rehired on or after January 1, 1999 and eligible for an immediate bridge of prior service, which had a continuous service date associated with it of December 31, 1998 or earlier;
- Rehired on or after January 1, 1999 and you were service pension or immediate vested pension eligible under the Service Based Program, or service pension eligible under The Avaya Inc. Pension Plan when you first terminated employment;
- Transferred from a position covered by The Avaya Inc. Pension Plan into a position covered by the Plan on or after January 1, 1999 and when you were transferred:
  - Your continuous service date was before January 1, 1999, or
  - You were service pension eligible under the terms of that plan on your date of transfer;
- Hired into Lucent's Data Network Systems Group organization on or after June 1, 1998 and on or before December 31, 1998 and you had prior Lucent service or you were covered by the MPA and you did not waive coverage under the MPA;
- Employed by an employer acquired on or after October 1, 1996 (or you were hired by the acquired organization after the acquisition date) and you subsequently directly transferred on or before December 31, 1998 to a position covered by the Plan; or
- Directly transferred before January 1, 1999 from a position covered by the Plan to a non-participating Avaya subsidiary and you subsequently directly transfer to a position covered by the Plan on or after January 1, 1999.