



Société anonyme au capital de € 4 634 882 840  
Siège social : 54, rue La Boétie - 75008 Paris  
542 019 096 RCS Paris

### INFORMATION REGARDING REMUNERATION OF CEO

The Board of Directors, on October 29, 2008, has acknowledged that:

- The CEO does not have an employment contract;
- The CEO did not wish to benefit from a severance indemnity;
- The Company's undertakings as regards the CEO's retirement are as follows:
  - The CEO is entitled to the same private pension plan as applicable to the French senior executives of the Alcatel Lucent group (AUXAD plan), it being specified that the beneficiary may claim retirement rights as from the age of sixty.
  - In the event that the CEO's pension rights vested during his career (including AUXAD), exercised as from the age of sixty, should not result in a replacement rate equal to 40% of the average of the two best annual remuneration over the last five years, then the Company has undertaken to complement these rights, as necessary to reach such 40% replacement rate. Conversely, his rights under the AUXAD plan will not accrue beyond the same 40% replacement rate, contrary to the situation of the other employees enrolled in the plan.
  - Contrary to other employees enrolled in the AUXAD plan, the right to this private pension plan will be subject to performance criteria which will be appraised over his term of office. The evolution of the sales and of operating profits will be analysed compared to a representative selection of companies in the sector, as well as the evolution of the Company's share trading price compared to previous financial years. The board of directors has also defined criteria including the strategic repositioning of the company, the review of the activity portfolio, and the evolution of customer satisfaction.
- The Board of Directors has granted to the CEO 250, 000 bonus shares, subject to conditions of presence in, and performance of the Alcatel Lucent group on the basis of the criteria used for the annual incentive plan (AIP) applicable to over 45, 000 employees of the group: evolution of sales and of operating profits. A third criterion will be linked to the fulfilment of targets specific to the responsibilities of CEO, according to steps defined by the Board of directors, including: the definition of the group's strategy, and the definition and implementation of an organisational model to support the proposed strategy.

The Board has determined the conditions under which the CEO is obliged to hold a proportion of such bonus shares until the end of his term as "mandataire social", and the conditions under which he is obliged to purchase a further number of shares, both obligations being capped at a level corresponding 40% of his total after tax compensation.

These conditions are in accordance with law and the recommendations of AFEP/MEDEF dated October 6, which the Board has reviewed. The Company's corporate governance policy is already broadly in line with these recommendations, and the Board noted in particular that when it awarded 100, 000 bonus shares Mr Camus upon his appointment as Chairman, Mr Camus had purchased 50, 000 Alcatel Lucent shares.