

**CHARTER OF THE INCENTIVE COMPENSATION COMMITTEE  
OF THE  
BOARD OF DIRECTORS  
OF  
ENTERASYS NETWORKS, INC. (THE “COMPANY”)**

I. Purpose. The Incentive Compensation Committee (the “Committee”) shall (i) discharge the responsibilities of the Board of Directors (the “Board”) relating to the compensation of the Company’s executives and non-management Board members, (ii) oversee the administration of the Company’s compensation and benefit plans, and (iii) prepare the annual report on executive compensation for inclusion in the Company’s proxy statement, as required by the rules and regulations of the Securities and Exchange Commission (the “SEC”).

II. Organization and Governance. The Committee shall consist of not less than two members, each of whom shall (i) satisfy the independence requirements of the New York Stock Exchange, (ii) qualify as “non-employee directors” as defined under Section 16 of the Securities Exchange Act of 1934, (iii) qualify as “outside directors” under Section 162(m) of the Internal Revenue Code, and (iii) be recommended by the Corporate Governance, Ethics and Nominating Committee of the Board for appointment to the Committee. In order to fulfill its role, the Committee shall be organized and governed in the following manner:

- Committee members will be nominated by the Corporate Governance, Ethics and Nominating Committee and will be appointed and removed by the Board;
- Action may be taken by the Committee upon the affirmative vote of a majority of the members;
- A majority of the Committee members shall constitute a quorum;
- Any member of the Committee may call a meeting of the Committee upon due notice to each other member at least forty-eight hours prior to the meeting;
- Action may be taken by the Committee without a meeting if all of the members of the Committee indicate their approval thereof in writing;
- The Committee may delegate its authority to a subcommittee; and
- The Committee may establish such other procedures to govern its operation as it determines are appropriate.

III. Powers. In order to fulfill its role, the Committee shall have the following powers:

- Adopt, amend or terminate compensation plans applicable to any class of employees of the Company and/or any subsidiary of the Company; provided that no adoption, amendment or termination of any compensation plan under which stock may be issued or in which a member of the Board may be a participant shall be effective unless the same shall be approved by the Board and, to the extent required by law, by the stockholders.
- Negotiate compensation agreements with Company executives; and
- Have the sole authority to (i) retain and terminate a consulting firm, or other experts, at the expense of the Company to assist the Committee in the assessment of the compensation packages of executive officers and non-management directors and (ii) approve the consulting firm, or other expert's, fees and other retention terms.

IV. Duties and Responsibilities. The responsibilities of the Committee include the following as well as such other matters that the Board or the Committee shall deem appropriate:

a. Executive Compensation:

- At least annually (a) review and approve corporate goals and objectives relevant to Chief Executive Officer ("CEO") compensation, (b) evaluate the CEO's performance in light of those goals and objectives, (c) have sole authority to set the CEO's compensation level based on this evaluation, and (d) review the compensation of senior executives.
- Make recommendations to the Board regarding the compensation packages for the Chair (if an employee), the President and the CFO.
- Review and approve any employment agreements, consulting arrangements, severance or retirement arrangements, and/or change-in-control agreements or provisions covering any current or former executive officer of the Company.
- Review and approve the Company's policies and procedures with respect to executive officers' expense accounts, special one-time payments and non-prohibited loans to officers made, arranged or guaranteed by the Company.

b. Board Compensation:

- Review and make recommendations to the Board regarding Board and Board Committee compensation.

c. Compensation and Benefit Plans:

- Make recommendations to the Board regarding the adoption of new employee incentive compensation plans and equity-based plans and oversee the administration of the Company's existing benefit and incentive compensation plans, including equity-based plans.

d. SEC Report:

- Prepare an annual report on executive compensation for inclusion in the Company's annual proxy statement, in accordance with applicable SEC rules and regulations.

e. Performance Evaluation; Reporting:

- At least annually, review and assess the Committee's performance and the adequacy of this charter and submit a performance evaluation and any recommendations to improve the performance of the Committee or to revise this charter to the Board for approval.
- Keep regular minutes of its meetings and regularly report to the Board on Committee activities.