

LUCENT TECHNOLOGIES INC. LEADERSHIP DEVELOPMENT AND COMPENSATION COMMITTEE CHARTER

Adopted December 17, 2003

The Leadership Development and Compensation Committee (the “Committee”) is responsible for matters relating to the development, attraction and retention of the Company’s leadership and the Company’s compensation and benefit programs, including compensation of the Chief Executive Officer (the “CEO”).

Composition and Term of Office

The Committee will consist of at least three members all of whom are independent directors under the New York Stock Exchange (“NYSE”) listing standards and the rules of the Securities and Exchange Commission (the “SEC”) and individuals that would qualify as “outside directors” under Section 162(m) of the Internal Revenue Code. One member shall serve as Chairman of the Committee. Committee members shall be appointed and removed as provided in the By-Laws of the Company.

Committee Meetings—Operating Principles

- The Committee shall meet at least three times each year.
- Regularly scheduled Committee meetings will occur in conjunction with meetings of the full Board of Directors.
- Special meetings of the Committee may be called as needed by the Committee Chairman, the Chairman of the Board, the Chief Executive Officer or the Senior Vice President, Human Resources.
- The Committee may request that members of management or outside consultants be present to assist the Committee in performing its duties.
- The Committee shall also have the sole authority to retain and terminate consulting firms or legal or other advisors to assist or advise the Committee in carrying out its responsibilities, and shall have the sole authority to approve the fees and other terms of the engagement for such firms or advisors.
- Minutes of each meeting will be kept and distributed to the entire Committee.
- The Committee may designate a subcommittee consisting of one or more of its members for the purpose of making recommendations to the Committee on specific issues or matters.

Primary Responsibilities and Authority

The Committee shall perform the following functions:

- Define and oversee the Company’s leadership development programs to attract, retain and motivate senior leadership.

- Advise the Board on executive succession planning.
- Oversee the evaluation of management, including the senior leadership team.
- Periodically review the Company's talent profile, including employee diversity, to ensure an on-going diverse organization.
- Provide oversight and guidance in the development of pay philosophy and strategy and compensation and benefit programs for all employees of the Company.
- Approve compensation and benefit programs for officers (individuals holding positions classified as Senior Vice President, or higher). This includes salary, annual incentive and long term incentive programs, whether stock or cash, and determinations relating to the deductibility of compensation under Section 162(m) of the Internal Revenue Code of 1986.
- Review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and determine and approve the CEO's compensation level based upon this evaluation.
- Approve base salaries and incentive awards for Senior Vice Presidents and above.
- Confer, as needed, with the Senior Vice President, Human Resources on leadership and compensation and benefit matters.
- Prepare the annual report on executive compensation for inclusion in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC.
- Review and jointly with the Corporate Governance and Nominating Committee make recommendations to the Board on matters concerning the Directors' annual retainer, as well as any other compensation programs relating to the Board of Directors.
- Exercise any fiduciary, administrative or other function assigned to the Committee under any of the Company's benefit plans and strive to achieve best practices across the Committee's areas of focus in terms of governance.
- Monitor stock ownership of Senior Vice Presidents and above, including stock trading policies for such Officers.
- Evaluate its own performance annually against its charter responsibilities and other factors, and in a manner consistent with the charter of the Corporate Governance and Nominating Committee.

The Committee may delegate (where legally permissible) authority to perform any of the foregoing responsibilities where desirable to facilitate the operation or administration of the plans or programs.

Other Responsibilities and Authority

- Report at the next meeting of the full Board of Directors all significant items discussed at any Committee meeting.

- Recommend changes to this Charter to the full Board of Directors as appropriate.
- Evaluate annually the Committee's performance in accordance with relevant law and NYSE listing standards.
- Take such further actions or provide such further advice as the full Board of Directors may from time to time delegate to the Committee.