

IN THE MATTER OF THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC,
NEW BRUNSWICK, PRINCE EDWARD ISLAND, NOVA SCOTIA, NEWFOUNDLAND,
THE NORTHWEST TERRITORIES, NUNAVUT AND THE YUKON TERRITORY

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW
SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF LUCENT TECHNOLOGIES INC. AND AVAYA INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland, the Northwest Territories, Nunavut and the Yukon Territory (the "Jurisdictions") have received an application from Lucent Technologies Inc. (the "Corporation") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that, subject to Certain conditions:

(i) the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") shall not apply to a distribution (the "Distribution") by the Corporation of shares of common stock of Avaya Inc. ("Avaya") that it owns as a dividend in kind to the holders of shares of common stock of the Corporation (the "Common Shares"); and

(ii) the requirements to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") shall not apply to the Distribution;

AND WHEREAS pursuant to the Mutual Reliance System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Corporation has represented to the Decision Makers that:

1. The Corporation is a corporation incorporated under the laws of the State of Delaware and its principal executive offices are located in the State of New Jersey.

2. The Corporation designs, develops and manufactures communications systems, software and products.

3. The authorized share capital of the Corporation consists of (i) 10,000,000,000 Common Shares; and (ii) 250,000,000 shares of preferred stock, \$1.00 par value per share (the "Preferred Shares").

4. At the close of business on June 30, 2000, approximately 3,300,000,000 of the Corporation's Common Shares were issued and outstanding and no Preferred Shares were issued and outstanding.
5. The Common Shares are listed and posted for trading on the New York Stock Exchange.
6. The Corporation is not a reporting issuer or the equivalent in any Jurisdiction.
7. As of September 11, 2000, according to the books of the Corporation, 2,648 persons or companies, whose last address as shown on the books of the Corporation was in Canada, held Common Shares and such persons or companies (1) represented approximately 0.16 percent of the total number of holders of record of Common Shares worldwide and (ii) held approximately 0.018 percent of the aggregate outstanding Common Shares.
8. Avaya was incorporated under the laws of the State of Delaware on February 16, 2000, under the name "Lucent EN Corp.". As of June 27, 2000, Lucent EN Corp. changed its name to Avaya.
9. Avaya is not a reporting issuer or the equivalent in any Jurisdiction and has no intention of becoming a reporting issuer or the equivalent in any Jurisdiction.
10. As of September 12, 2000, Avaya was authorized to issue 1,700,000,000 shares of capital stock consisting of (i) 1,500,000,000 shares of common stock (the "Avaya Shares"); and (ii) 200,000,000 shares of preferred stock, \$1.00 par value.
11. As of September 12, 2000, 1,000 Avaya Shares were issued and outstanding and no shares of preferred stock of Avaya, \$1.00 par value, were issued and outstanding.
12. The Corporation currently owns all of the issued and outstanding Avaya Shares.
13. The Corporation intends to effect the Distribution on September 30, 2000
14. The Avaya Shares are not currently available for trading on any stock exchange. Upon completion of the Distribution, the Avaya Shares will be listed and posted for trading on the New York Stock Exchange.
15. In connection with the Distribution, approximately 278,292,661 Avaya Shares will be distributed as a dividend in kind to the holders of Common Shares.
16. The Distribution will be effected in compliance with the laws of the State of Delaware, the United States *Securities Act of 1933*, the United States *Securities Exchange Act of 1934* and other applicable securities laws of the United States.
17. Upon completion of the Distribution, it is expected, on the basis of the holdings of Common Shares as of September 11, 2000, that persons or companies whose address as shown on the books of the Corporation is in Canada, will (i) represent approximately 0.16 percent of the total

number of holders of record of Avaya Shares worldwide, and (ii) will hold approximately 0.018 percent of the aggregate outstanding Avaya Shares.

18. In order to effect the Distribution, and in accordance with the requirements of the United States *Securities Exchange Act of 1934*, an information statement in Form 10 that contains prospectus-level disclosure with respect to Avaya has been filed on behalf of Avaya with the United States Securities Exchange Commission. The Corporation will mail such information statement to all holders of Common Shares, including those who are resident in Canada.

19. Avaya will concurrently send to holders of Avaya Shares resident in the Jurisdictions all disclosure materials it sends to holders of Avaya Shares resident in the United States.

20. The Distribution would be exempt from the Registration Requirements and the Prospectus Requirements of the Legislation in certain of the Jurisdictions but for the fact that Avaya is not a reporting issuer or the equivalent in such Jurisdictions.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Corporation is exempt from the Registration Requirements and the Prospectus Requirements in connection with the Distribution of the Avaya Shares, provided that the first trade in any Avaya Shares acquired by a holder of Common Shares pursuant to the Distribution in reliance on this decision shall be deemed a distribution, or a primary distribution to the public, under the Legislation unless such trade is executed through the facilities of a stock exchange outside of Canada or on the Nasdaq Stock Market.

DATED at Toronto on this "29th", day of September, 2000.

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - distribution of shares of a foreign company which is not a reporting issuer as a dividend in kind is not subject registration and prospectus requirement - *de minimus* Ontario holders - first trade is a distribution unless such trade is conducted through a stock exchange outside of Canada.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 35(1)13, 53, 72(1)(g), 74(1).