

SUMMARY ANNUAL REPORT FOR THE AVAYA INC. HEALTH AND WELFARE BENEFITS PLAN FOR SALARIED RETIREES

This is a summary of the annual report of the AVAYA INC. HEALTH AND WELFARE BENEFITS PLAN FOR SALARIED RETIREES, a health and life insurance plan (Employer Identification Number 22-3713430, Plan Number 552), for the plan year 01/01/2016 through 12/31/2016. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Insurance Information

The plan has insurance contracts with KAISER FOUNDATION HEALTH PLAN INC SOUTHERN CA, KAISER FOUNDATION HEALTH PLAN INC NORTHERN CA and METROPOLITAN LIFE INSURANCE COMPANY to pay certain health, HMO contract, life insurance claims incurred under the terms of the plan. The total premiums paid for the plan year ending 12/31/2016 were \$2,294,497.

Because there are "experience-rated" contracts, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the plan year ending 12/31/2016, the premiums paid under such "experience-rated" contracts were \$2,275,381 and the total of all benefit claims paid under these experience-rated contracts during the plan year was \$2,112,377.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$106,111,603 as of the end of plan year, compared to \$102,248,694 as of the beginning of the plan year. During the plan year, the plan experienced a change in its net assets of \$3,862,909. This change includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$9,018,062 including employer contributions of \$2,637,956, employee contributions of \$151,824, gains/(losses) of \$120,877 from the sale of assets, and earnings from investments of \$6,107,405. Plan expenses were \$5,155,153. These expenses included \$918,490 in administrative expenses and \$4,236,663 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report.
2. Financial information and information on payments to service providers.
3. Assets held for investment.
4. Insurance information, including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write to Avaya Inc., at 4655 Great America Parkway, Santa Clara, CA 95054-1233.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report.

You also have the legally protected right to examine the annual report at the main office of the plan at Avaya Inc., 4655 Great America Parkway, Santa Clara, CA 95054-1233, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.