
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

June 1, 2011

Date of Report (Date of earliest event reported)

SONUS NETWORKS, INC.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE

(State or Other Jurisdiction
of Incorporation)

001-34115

(Commission File Number)

04-3387074

(IRS Employer
Identification No.)

4 TECHNOLOGY PARK DRIVE, WESTFORD, MASSACHUSETTS 01886

(Address of Principal Executive Offices) (Zip Code)

(978) 614-8100

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On June 1, 2011, Sonus Networks, Inc. (the "Company") promoted Matthew Dillon, Vice President, Global Services, to the position of Senior Vice President, Global Support Services, effective as of June 1, 2011. In this newly-created position, Mr. Dillon will oversee the Company's services team to help customers through complex upgrades and the continued and accelerated launch of the Company's products. In connection with such promotion, the terms of Mr. Dillon's compensation were amended by increasing his annual base salary from \$235,125 to \$270,000, effective as of June 1, 2011.

Item 5.05. Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

On June 1, 2011, the Board of Directors (the "Board") of Sonus Networks, Inc. (the "Company") approved the replacement of the Company's existing "Corporate Code of Conduct and Ethics" with a new "Code of Conduct," which applies to all directors, officers and employees. The new Code of Conduct, among other things: enhances the description of the policies and regulations pertaining to conflicts of interest, quality of public disclosures and other topics; updates changes in the Company's Insider Trading Policy and External Communications Policy; and provides more explicit management support for all topics within the Code of Conduct, including the reporting of illegal or unethical behavior. The foregoing summary is subject to and qualified in its entirety by reference to the full text of the Code of Conduct, a copy of which is attached as Exhibit 14.1 to this Current Report on Form 8-K and which is incorporated by reference into this Item 5.05. The Code of Conduct is available in the Investor Relations section of the Company's website at <http://www.sonusnet.com>.

Item 5.07. Submission of Matters to a Vote of Security Holders.

Sonus Networks, Inc. (the "Company") held its annual meeting of stockholders on June 2, 2011 (the "Annual Meeting"). For more information on the following proposals, please see the Company's definitive Proxy Statement, which was filed with the Securities and Exchange Commission on April 19, 2011 (the "Proxy Statement"). The following is a summary of the matters voted upon at the Annual Meeting:

(1) The stockholders elected each of the eight nominees to the Board of Directors of the Company to hold office until the 2012 annual meeting of stockholders by a plurality of votes cast:

Director	For	Withhold Authority	Broker Non-Votes
James K. Brewington	196,288,577	2,158,775	60,529,451
John P. Cunningham	195,985,492	2,461,860	60,529,451
Raymond P. Dolan	196,681,437	1,765,915	60,529,451
Beatriz V. Infante	190,752,650	7,694,702	60,529,451
Howard E. Janzen	195,245,415	3,201,937	60,529,451
John A. Schofield	191,453,086	6,994,266	60,529,451
Scott E. Schubert	196,100,815	2,346,537	60,529,451
H. Brian Thompson	177,914,902	20,532,450	60,529,451

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(2) By the following vote, the stockholders ratified the appointment of Deloitte & Touche LLP to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011:

For	256,658,400
Against	1,843,354
Abstain	475,049

(3) By the following vote, the stockholders approved, on a non-binding advisory basis, the compensation of the Company's named executive officers as discussed in the "Compensation Discussion and Analysis" section and the accompanying compensation tables and related narratives contained in the Proxy Statement:

For	183,616,817
Against	14,047,203
Abstain	783,332
Broker Non-Votes	60,529,451

(4) By the following vote, the stockholders voted, on a non-binding advisory basis, in favor of holding future advisory votes on the compensation of the Company's named executive officers at an annual meeting of stockholders every year:

Every Year	181,990,360
Every Two Years	1,127,797
Every Three Years	14,002,670
Abstain	1,326,525
Broker Non-Votes	60,529,451

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Item 8.01 Other Events.

On June 1, 2011, the Board of Directors (the "Board") of Sonus Networks, Inc. (the "Company") adopted an (i) Amended and Restated Charter of the Audit Committee, (ii) Amended and Restated Charter of the Compensation Committee, and (iii) Amended and Restated Charter of the Nominating and Corporate Governance Committee. Copies of each of the Amended and Restated Charter of the Audit Committee, Amended and Restated Charter of the Compensation Committee, Amended and Restated Charter of the Nominating and Corporate Governance Committee are attached hereto as Exhibits 99.1, 99.2 and 99.3, respectively, and are each available on the Company's website at <http://www.sonusnet.com>.

Also on June 1, 2011, the Board amended the Company's Corporate Governance Guidelines. A copy of the amended Corporate Governance Guidelines is attached hereto as Exhibit 99.4 and available on the Company's website at <http://www.sonusnet.com>.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

14.1	Code of Conduct.
99.1	Amended and Restated Charter of the Audit Committee of the Board of Directors of Sonus Networks, Inc.
99.2	Amended and Restated Charter of the Compensation Committee of the Board of Directors of Sonus Networks, Inc.
99.3	Amended and Restated Charter of the Nominating and Corporate Governance Committee of the Board of Directors of Sonus Networks, Inc.
99.4	Corporate Governance Guidelines.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 6, 2011

SONUS NETWORKS, INC.

By:

/s/ Jeffrey M. Snider

Jeffrey M. Snider

Senior Vice President, General Counsel and Secretary

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Exhibit Index

14.1	Code of Conduct.
99.1	Amended and Restated Charter of the Audit Committee of the Board of Directors of Sonus Networks, Inc.
99.2	Amended and Restated Charter of the Compensation Committee of the Board of Directors of Sonus Networks, Inc.
99.3	Amended and Restated Charter of the Nominating and Corporate Governance Committee of the Board of Directors of Sonus Networks, Inc.
99.4	Corporate Governance Guidelines.

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Sonus Networks, Inc.
Code of Conduct

Sonus Networks, Inc. (“Sonus” or the “Company”) strives to conduct its business in accordance with the highest ethical standards and in compliance with all applicable governmental laws, rules and regulations. Sonus believes that it is imperative that its officers, directors and employees act at all times in an honest and ethical manner in connection with their service to Sonus. The principles of integrity, accountability and fair dealing are the cornerstone of the Company’s business, and are critical to its future success.

The following information constitutes the Company’s corporate Code of Conduct, which applies to all Sonus officers, directors and employees. This Code of Conduct (the “Code”) is intended to meet the requirements for a code of ethics under the Sarbanes-Oxley Act of 2002 and the Nasdaq listing standards.

All references to “Sonus” or the “Company” in this Code should be read to include the Company’s subsidiaries. While this Code cannot anticipate every possible situation or cover every topic in detail, it sets out basic principles to guide officers, directors and employees in the course of performing their duties and responsibilities to the Company. If you have a question about a topic covered in this Code or a concern regarding any possible illegal or unethical conduct or any violation of this Code, please promptly contact your immediate supervisor. You may also contact the General Counsel or other member of the Company’s senior management, the Employee Hotline (including on an anonymous basis, if desired), or the Company’s Audit Committee where appropriate. The Company will treat as confidential, to the extent possible, all information received from any individual with respect to a possible ethical issue or illegal act and will not take any retributive or retaliatory action against any individual who discloses such information in good faith.

I. Compliance with Applicable Laws, Rules and Regulations

Sonus is committed to conducting its business in compliance with all applicable governmental laws, rules and regulations, including but not limited to laws, rules and regulations related to securities, labor, employment and workplace safety matters. All Sonus officers, directors and employees are expected at all times to conduct their activities on behalf of Sonus in accordance with this principle. Any violation of applicable laws, rules or regulations, this Code or any other Company policy or procedure by a Sonus employee, officer or director should be reported immediately to your supervisor, the General Counsel or other member of the Company’s senior management, the Employee Hotline or the Audit Committee where appropriate.

As a public reporting company, with our common stock trading on the Nasdaq National Market, the Company is subject to regulation by the Securities and Exchange Commission and Nasdaq and must comply with federal securities laws and regulations, as well as applicable federal, state, local and international laws. Sonus insists on compliance with both the spirit and the letter of these laws and regulations.

II. Conflicts of Interest

A “conflict of interest” exists any time the personal interest (financial or otherwise) of an employee, officer or director conflicts with the interest of Sonus. A conflict of interest also exists when an employee, officer or director takes actions or has interests that make it difficult to perform objectively and effectively his or her duties on behalf of Sonus. Conflicts of interest can also arise when an employee, officer or director or any member of his or her family receives improper benefits because of his or her position in the Company. For example, a conflict of interest may arise where an employee, officer or director or any member of his or her immediate family member acquires a financial interest in, or accepts employment with, any entity doing business with the Company if the interest or employment could conflict with his or her duties to the Company and the performance of such duties. It is usually a conflict of interest for an employee, officer or director to work simultaneously, even on a part-time or temporary basis, for a competitor, customer or supplier of the Company as an employee, consultant, contractor or board member. Conflicts of interest may not always be apparent, so if an employee, officer or director has a question regarding whether a particular situation is a conflict of interest, he or she should consult with his or her immediate supervisor or contact the General Counsel.

It is important that employees, officers and directors act with great care to avoid even the appearance that their actions were not in the Company’s best interests. This obligation applies to both business relationships and personal activities. If you find yourself in a position where your objectivity may be questioned because of individual interest or family or personal relationships, notify the Company’s management immediately. Directors are required to immediately report any real or perceived conflict of interest to the non-executive Chairman of the Board of Directors.

The Board of Directors or an appropriate committee of the Board after full disclosure may approve a conflict of interest, and such an approval will not constitute a waiver of this Code. The Chief Executive Officer, Chief Financial Officer or the General Counsel of the Company may approve conflicts of interest related to employees other than executive officers.

III. Gifts and Gratuities

An employee, officer or director and his or her immediate family members cannot accept material gifts or favors that could create the appearance that such individual’s business judgment could be affected by the receipt of such gifts or favors. An employee, officer or director or his or her immediate family can accept gifts of nominal value from existing sources, prospective sources and persons, firms or companies with whom the Company does or might do business, unless such gift could reasonably be viewed as a bribe or is otherwise improper.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage. Employees, officers and directors cannot offer or give gifts or favors to any employee, officer or director of a competitor, supplier or customer of the Company, or a member of such person’s immediate family, if the gifts or favors might place the recipient under any obligation to an employee, officer or director of the Company or to the Company, the gift or favor could reasonably be viewed as a bribe or is otherwise improper.

All employees, officers and directors are subject to the Foreign Corrupt Practices Act Policy then in effect. Any question as to whether a gift or favor would be considered improper must be discussed with the General Counsel.

IV. Employee Conduct

Sonus is committed to fostering a work environment in which all individuals are treated with respect and dignity. Employees are expected to maintain a working environment that encourages mutual respect, promotes civil and congenial relationships among employees and is free from all forms of harassment or violence. This is a compulsory element of employment at Sonus and applies to all employees, officers and directors equally.

Employees have the right to conduct their work safely and without disorderly or undue interference from other employees. The Company prohibits employees from violating this right of their co-workers.

V. Corporate Opportunities

The Company's employees, officers and directors owe a duty to Sonus to advance its legitimate interests when the opportunity to do so arises. For this reason, such persons are prohibited from taking "corporate opportunities" for themselves, including business opportunities which could be construed as related to an existing or reasonably anticipated future activity of Sonus. Accordingly, the Company's employees, officers and directors are prohibited, without the prior consent of the Company's Board of Directors after full disclosure has been provided to the Board about the opportunity, from (1) taking for themselves personally opportunities that are discovered through the use of Sonus property, information or position, (2) using the Company's property or information or his or her position for improper personal gain, or (3) competing with Sonus. Such persons are also prohibited from using Sonus property, information or position for personal gain.

VI. Fair Dealing

Sonus expects its employees, officers and directors to deal fairly with the Company's financial institutions, suppliers, vendors, competitors, agents and employees; to base business relationships on lawful, efficient and fair practices; and to use only ethical practices when dealing with actual or potential financial institutions, vendors, competitors, agents, employees and other parties. It is the obligation of every Sonus employee, officer and director to conduct business in a manner that avoids even the appearance of ethical or legal impropriety and is consistent with all applicable laws and regulations. Specifically, no Sonus employee, officer or director should do any of the following:

- Give, offer or accept anything of value from any current or potential financial institution, supplier or vendor as an inducement for or in return for business or preferential treatment; or
- Take advantage of any financial institution, supplier, competitor or employee through manipulation, concealment, abuse of privileged information, fraud, misrepresentation of material facts, or any other unfair business practice.

VII. Confidential Information

All Sonus employees, officers and directors are required to maintain the confidentiality of all non-public information (regardless of the method of communication) that they receive or have access to during their employment or service with Sonus, except when disclosure is authorized or legally mandated in which case such person is required to obtain the written consent of the General Counsel prior to such disclosure. This obligation applies not only to confidential information about Sonus, but also to confidential information about its financial institutions, suppliers, business partners and employees. You are also prohibited from disclosing confidential information that you obtained at a previous employer, including, but not limited to, trade secrets.

During and following your employment at Sonus, you shall not directly or indirectly publish, disclose, describe or communicate confidential information, or authorize anyone else to do so for any purpose. You are responsible for avoiding the release of non-public information. Should you have any questions regarding your confidentiality obligations, you should seek guidance from Sonus management.

VIII. Insider Trading

Employees, officers and directors who have access to confidential information cannot use or share such information for stock trading purposes or for any other purpose except the proper conduct of the Company's business. All employees, officers and directors are subject to the Company's Insider Trading Policy then in effect. The Company will deal firmly with all instances of insider trading. If an employee, officer or director has any questions regarding non-public information and the use of such information or the Company's Insider Trading Policy then in effect, he or she should contact the General Counsel.

IX. Financial Reporting and Accuracy of Company Records

The integrity, reliability and accuracy in all material respects of the Company's books, records and financial statements are fundamental to the Company's continued and future business success.

Corporate transactions should be promptly and accurately entered into the Company's books in accordance with generally accepted accounting practices and principles, including accurate recording of all labor and material costs (including contract work, internal research and development, and bid and proposal work). No director, officer or employee may cause the Company to enter into a transaction with the intent to document or record it in a deceptive or unlawful manner. In addition, no director, officer or employee may create any false, misleading or artificial documentation or book entry for any transaction entered into by the Company. Similarly, officers and employees who have responsibility for accounting and financial reporting matters have a responsibility to accurately record all funds, assets and transactions on the Company's books and records.

Any employee, officer or director who has concerns about any questionable accounting and auditing matters should contact his or her manager, the Chief Financial Officer, the Principal Accounting Officer, the General Counsel or other member of senior management, the Employee Hotline or the Audit Committee as appropriate.

X. Quality of Public Disclosures

The Company is committed to providing its stockholders with complete and accurate information about its financial condition, results of operations and other matters as required by the securities laws of the United States. It is the Company's policy that reports and documents it files with the Securities and Exchange Commission, and its earnings releases and other public communications made by the Company, include fair, timely and understandable disclosure. Officers and employees who are responsible for these filings and disclosures, including the Company's principal executive, financial and accounting officers, must use reasonable judgment and perform their responsibilities honestly, ethically and objectively in order to ensure that this disclosure policy is fulfilled. The Company's senior management is primarily responsible for monitoring the Company's public disclosures and implementing internal controls and disclosure controls and procedures, subject to Board of Directors oversight.

All employees, officers and directors are subject to the External Communications Policy then in effect. Any employee, officer or director who has concerns about any aspect of the Company's financial or other disclosures should contact his or her manager, the Chief Financial Officer, the Principal Accounting Officer, the General Counsel or other member of senior management, the Employee Hotline or the Audit Committee as appropriate.

XI. Political and Government Activity

The Company has interests at stake at the federal, state, local and international levels. The Company may choose to express its corporate opinion on local and national issues that affect its business, but the Company will be mindful of its legal and ethical obligations in political matters and will abide by all relevant laws and regulations.

The Company supports and encourages employee rights to participate in civic affairs and the political process on an individual basis. The Company, however, does not permit the use of corporate resources or time for personal political activities unless prior approval has been granted by either the Chief Financial Officer or the General Counsel.

XII. Protection and Proper Use of Company Assets

Loss, theft and misuse of the Company's assets have a direct impact on the Company's business and its profitability. Directors, officers and employees are expected to protect the Company's assets — such as electronic communications systems, information resources, intellectual property, material, facilities and equipment — that are entrusted to them and to protect the Company's assets in general.

Directors, officers and employees are also expected to take steps to ensure that the Company's assets are used only for legitimate business purposes. It is recognized, however, that occasional personal use of equipment by employees, officers and directors may occur without adversely affecting the interests of the Company.

XIII. Raising Questions and Concerns

Directors, employees and officers are encouraged to talk to immediate supervisors or the General Counsel or contact the Employee Hotline (including anonymously if desired) when unsure about the best course of action to take in a particular situation. In addition, any such individual must promptly report suspected or known violations of applicable laws, rules, regulations or this Code to immediate supervisors, the General Counsel or other member of the Company's senior management, the Employee Hotline or the Audit Committee where appropriate. While self-reporting a violation will not excuse the violation itself, the extent and promptness of such reporting will be considered in determining any appropriate sanction.

The Company prohibits retaliation against any individual who reports ethical or other misconduct in good faith. All questions and concerns will be kept confidential to the extent reasonably possible. If a situation requires that the identity of an individual reporting any such misconduct not be disclosed, the Company will protect the anonymity of such individual to the extent legally possible.

XIV. Waivers of the Code of Conduct

Any waiver of this Code for executive officers or directors may be made only by the Board of Directors or a Board committee and will be promptly disclosed as required by law or by the Securities and Exchange Commission or Nasdaq regulations. Waivers of this Code for a non-officer employee may be made by the President or Chief Financial Officer only upon the employee making full disclosure in advance of the transaction in question.

XV. Violations of the Code of Conduct

Allegations of Code violations will be reviewed and investigated by the Company's Legal Department, or, in appropriate circumstances, by the Company's Audit Committee. Failure to comply with this Code or any applicable law, regulation, policy or procedure may result in, among other actions, suspension of work duties, diminution of responsibilities or demotion, and termination of employment or Board of Directors service.

XVI. Amendments

This Code may be amended, altered or terminated by the Board of Directors at any time for any reason. The Company must report promptly any amendments pertaining to executive officers or senior financial officers as required by applicable laws, rules or regulations.

**AMENDED AND RESTATED
CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
OF SONUS NETWORKS, INC.**

This charter is intended as a component of the flexible governance framework within which the Board of Directors of Sonus Networks, Inc., assisted by its committees, directs the affairs of Sonus Networks, Inc. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Fourth Amended and Restated Certificate of Incorporation, as may be amended from time to time, and its Amended and Restated By-laws, as may be amended from time to time, this charter is not intended to establish by its own force any legally binding obligation.

I. PURPOSES AND AUTHORITY.

The primary purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Sonus Networks, Inc. (the “**Company**”) is to oversee the accounting and financial reporting processes of the Company and the audits of the Company's financial statements. In that regard, the Committee assists the Board in its oversight of (i) management's conduct of, and the integrity of, the Company's financial reporting to any governmental or regulatory body, stockholders, other users of the Company's financial reports and the public; (ii) the qualifications, engagement, compensation, independence and performance of the registered public accounting firm that audits the annual financial statements of the Company (the “**independent auditor**”) and any other registered public accounting firm engaged to prepare or issue an audit report or to perform other audit, review or attest services for the Company, its conduct of the annual audit of the Company's financial statements and any other audit, review or attestation engagement, and their engagement to provide any other services; (iii) the Company's systems of internal control over financial reporting and disclosure controls and procedures; (iv) the Company's compliance with legal and regulatory requirements; (v) the application of the Company's related person transaction policy as established by the Board; and (vi) the application of the Company's conduct and ethics policies, as established by management and the Board. In connection with the foregoing, the Committee shall engage in such activities as are necessary or appropriate in order for it to render the annual report of the Committee required to be included in the Company's annual report by the rules of the Securities and Exchange Commission (the “**SEC**”). All references in this charter to the Company are intended to refer also to any subsidiary of the Company and any “variable interest entity” whose results of operations are consolidated with those of the Company, except where the context otherwise requires.

In discharging its role, the Committee is empowered to inquire into any matter it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company, and, subject to the direction of the Board, the Committee is authorized and delegated the authority to act on behalf of the Board with respect to any matter necessary or appropriate to the accomplishment of its purposes. In addition to retaining on behalf of the Company the Company's independent auditor and any other accounting firm the retention of which is to prepare or issue any other audit report or to perform any other audit, review or attest services the Committee determines is necessary or appropriate in connection with the conduct of the Company's business and affairs, the Committee is empowered to retain

legal counsel and accounting and other advisors and consultants to assist it in carrying out its activities. The Committee shall have the authority to direct and oversee the activities of, and to terminate the engagement of, the Company's independent auditor and any other accounting firm retained by the Committee to prepare or issue any other audit report or to perform any other audit, review or attest services and any legal counsel, accounting or other advisor or consultant hired to assist the Committee, all of whom shall be accountable to the Committee. The Company shall provide adequate resources to support the Committee's activities, including compensation of the Company's independent auditor and any other auditor and any legal counsel, accounting or other advisor or consultant retained by the Committee.

The Committee shall recommend to the Board any amendments of this charter as the Committee deems appropriate.

II. COMPOSITION.

The Committee shall be comprised of at least three members of the Board, each of whom the Board has selected and determined to be “independent” for purposes of audit committee membership in accordance with the applicable listing standards of the Nasdaq Stock Market and at least one member shall be an “audit committee financial expert” as such term is defined under applicable SEC rules. All members of the Committee shall have a working familiarity with basic finance and accounting practices and be able to read and understand fundamental financial statements, including the Company's balance sheet, statement of operations and statement of cash flow.

No member of the Committee may serve on the audit committee of more than two public companies, including the Company, unless the Board has determined that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.

Except as otherwise directed by the Board, a director selected as a Committee member shall continue to be a member for as long as he or she remains a director of the Company or until his or her earlier resignation from the Committee. Any member may be removed from the Committee by the Board, with or without cause, at any time. The Chair of the Committee shall be appointed from among the Committee members by, and serve at the pleasure of, the Board, shall preside at meetings of the Committee and shall have the authority to convene meetings, set agendas for meetings and determine the Committee's information needs, except as otherwise provided by action of the Committee. In the absence of the Chair at a duly convened meeting, the Committee may select a temporary substitute from among its members to serve as chair of the meeting.

III. MEETINGS AND OPERATIONS.

The Committee shall meet at least once each fiscal quarter and additionally as circumstances dictate. In addition to meeting with senior financial management, the Committee shall periodically meet, separately, with senior financial management (without the independent auditor present), with a member of the internal audit function (without any other member of management present) and with the independent auditor (without any member of management

present), so as to enhance the opportunity for the identification and discussion of all issues warranting Committee attention.

The Committee shall otherwise establish its own schedule of meetings. The Committee may also act by unanimous written consent of its members. Notice of meetings shall be given to all Committee members, or may be waived. Meetings of the Committee may be held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. A majority of the members of the Committee shall constitute a quorum for a meeting and the affirmative vote of a majority of members present at a meeting at which a quorum is present shall constitute the action of the Committee. The Committee may form, and delegate any of its responsibilities to, a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee. The Committee shall otherwise establish its own rules of procedure.

The Committee shall conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this charter.

The Committee shall report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board requests, and maintain minutes or other records of Committee meetings and activities.

IV. KEY RESPONSIBILITIES.

The Committee's role is one of oversight. The Company's management is responsible for preparing the Company's financial statements and the independent auditor is responsible for auditing the annual financial statements. The Board and the Committee recognize that Company management, including the internal audit staff and the independent auditor, have more time, knowledge and detailed information about the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any certification as to the work of any auditor.

The following duties, responsibilities and functions are set forth as a guide to fulfilling the Committee's purposes, with the understanding that the Committee may undertake other and different activities, and that the Committee's activities may diverge from those described below, as appropriate under the circumstances.

In such manner as the Committee determines is appropriate to fulfill its purposes, the Committee shall:

A. Oversight of Financial Reporting and Auditing.

1. Review and discuss with management and the independent auditor: (1) critical accounting policies and practices used by the Company, the accounting treatment to be applied in respect of significant new transactions or other significant events not in the ordinary course of the Company's business and any significant changes in management's selection or application of accounting principles; (2) alternative

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accounting treatments within generally accepted accounting principles ("GAAP") for material items that have been discussed by the independent auditor with management, including the ramifications of the use of such treatments and the treatment preferred by the independent auditor; and (3) the effect of regulatory and accounting initiatives on the Company's financial statements;

2. Review and, as appropriate, discuss with management, the independent auditor and/or a member of the internal audit function any significant difficulties encountered in the course of audit work, including any restrictions on the scope of audit activities or on access to requested information and any special audit steps adopted by the independent auditor or the internal audit function in light of any material weakness in the Company's internal control over financial reporting;
3. Oversee the Company's financial reporting, including: (1) resolve any disagreements regarding financial reporting between management and the independent auditor; (2) review any significant findings by the auditors relating to the preparation of the Company's financial statements; (3) review and discuss with management, the independent auditor and a member of the internal audit function, prior to public release, the Company's annual and quarterly financial statements to be filed with the SEC, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations;" (4) discuss with the independent auditor any accounting adjustments that were noted or proposed by the independent auditor but were "passed" (as immaterial or otherwise), any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditor to the Company, any communications between the audit team and the national office of the independent auditor respecting auditing or accounting issues presented by the engagement and any significant issues (such as business conditions, plans or strategies that may affect the risk of a material misstatement in the financial statements) that were discussed or the subject of correspondence between the independent auditor and management; (5) with respect to the independent auditor's annual audit report, prior to release of the annual audited financial statements, meet with the independent auditor without any management member present to discuss the independent auditor's views about the qualitative aspects of the Company's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures; (6) recommend to the Board whether to include the audited annual financial statements in the Company's Annual Report on Form 10-K to be filed with the SEC; (7) prior to submission to any governmental authority of (a) any financial statement of the Company that differs from the financial statements filed or to be filed by the Company with the SEC or (b) any financial statement of a subsidiary of the Company that in the Committee's judgment is material to the Company

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and that presents information regarding such subsidiary in a way that is materially different from the presentation of such information in the financial statements of the Company filed or to be filed with the SEC, review such financial statements and any

report, certification or opinion thereon provided by an independent auditor; and (8) periodically review the status of the Company's response to previous audit recommendations;

4. Review and discuss with management and the independent auditor any material off-balance sheet financing and any other material financial arrangement that does not appear in the financial statements of the Company;
5. Discuss with management earnings press releases and review financial information and earnings guidance provided to analysts and to rating agencies, including any such dissemination of financial information not involving the presentation of financial measures in accordance with GAAP; and
6. Oversee the preparation of and approve all reports required or appropriate in the conduct of the Committee's responsibilities, including the annual report of the Committee to be included in the Company's annual meeting proxy statement or annual report as required by SEC rules.

B. Oversight of the Engagement of the Independent Auditor.

7. Appoint, evaluate, compensate, and oversee the work of, and if appropriate terminate the appointment of, the independent auditor, who shall report directly to the Committee;
8. review and obtain from the independent auditor the formal written statement delineating all relationships between the independent auditor and the Company required by applicable audit professional regulatory standards, and discuss with the independent auditor any relationships or services that may impact the objectivity and independence of the independent auditor; take appropriate action to satisfy itself of the independent auditor's independence; and approve any audit-related and permitted non-audit services (including the fees and material terms thereof) to be provided by the independent auditor; and set clear hiring policies for employees or former employees of the independent auditor; and
9. Review and approve the terms of the engagement of the independent auditor and the scope and expected timing of the annual audit.

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C. Oversight of Attest Engagements of Other Registered Public Accounting Firms.

10. Appoint, evaluate, compensate, oversee the work of, and if appropriate terminate the appointment of any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services (including the resolution of any disagreements between management and the auditor regarding financial reporting), each of which firms shall report to the Committee, and, if such firm is required to be independent of the Company in accordance with SEC rules, review a formal written statement from the independent auditor delineating all relationships between such firm and the Company and discuss with such firm any relationships or services that may impact the objectivity and independence of the firm, and take appropriate action to satisfy itself of such firm's independence, and approve any audit-related and permitted non-audit services (including the fees and material terms thereof) to be provided by any registered public accounting firm so engaged.

D. Oversight of the Company's Internal Audit Function, Internal Controls and Risk Management.

11. Review and discuss with executive management, and recommend to the Board, the appointment or dismissal of the head of the internal audit function and consult with executive management about his or her performance evaluation and compensation and the application of the Company's compensation policies to other internal audit personnel; review and advise the chief executive officer and the Board with respect to the appointment, dismissal and replacement of the chief financial officer and chief accounting officer and consult with the chief executive officer about the performance evaluation and compensation of each;
12. Receive reports periodically from the head of the internal audit function regarding the activities of the internal audit function, including the annual internal audit work plan, discuss with the independent auditor the responsibilities, budget and staffing of the Company's internal audit function and review periodically the performance of the internal audit function;
13. Establish and oversee the effectiveness of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting, financial reporting or auditing matters and review and, as necessary, investigate any reports provided by SEC counsel to the Company regarding evidence of unremedied material violations of U.S. federal or state securities or any similar other law or a material breach of fiduciary

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duties by directors, officials, employees or agents of the Company arising under such laws;

14. Oversee management's design and maintenance of the Company's internal control over financial reporting and disclosure controls and procedures, including reviewing and discussing with management and the independent auditor the certification and reports of management and the independent auditor required in the Company's periodic SEC reports concerning the Company's internal control over financial reporting and disclosure controls and procedures, the adequacy of such controls and any remedial steps being undertaken to address any material weaknesses or significant deficiencies in internal control over financial reporting; and
15. (1) Review and discuss with management and the independent auditor the Company's financial risk exposures and assess the policies and procedures management has implemented to monitor and control such exposures; (2) assist the Board in fulfilling its

oversight responsibilities regarding the Company's policies and processes with respect to risk assessment and risk management, including any significant non-financial risk exposures; and (3) review the Company's annual disclosures concerning the role of the Board in the risk oversight of the Company, such as how the Board administers its oversight function.

E. Oversight of Legal and Ethical Compliance.

16. Review periodically with the Company's legal counsel: (1) legal and regulatory matters that may have a material impact on the Company's financial statements, including any material reserves for legal contingencies and any related financial statement disclosure; and (2) the scope and effectiveness of the Company's legal and regulatory compliance policies and programs;
17. In accordance with, and to the extent provided by, the pertinent policies that shall be adopted by the Board upon recommendation of the Committee, review (on an ongoing basis, as appropriate) and approve or ratify on behalf of the Company, if appropriate, any proposed, on-going or completed transaction involving the Company and (1) any director or executive officer of the Company, (2) any owner of 5% or more of any class or series of shares of the Company, (3) such other person serving as an officer or member of the senior management of the Company or as a member of the board of directors or similar governing body of any subsidiary of the Company as may be designated in accordance with such policy, or (4) any member of the family of, or any company or other entity affiliated with, any such person, in each case considering any audit procedures or safeguards of the Company's interests appropriate to be instituted in connection with such transaction; and

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18. Review at least annually with management, including the Company's legal counsel and the head of the internal audit function, compliance with, the adequacy of and any requests for waivers under, the Company's conduct and ethics policies (including codes that apply to all employees as well as those applicable to directors and officers) and the Company's policies and procedures concerning trading in Company securities and act on any waiver under such conduct and ethics policies sought with respect to any officer or director.

Recommended by the Audit Committee and approved by the Board of Directors of the Company on June 1, 2011.

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**AMENDED AND RESTATED
CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS
OF SONUS NETWORKS, INC.**

This charter is intended as a component of the flexible governance framework within which the Board of Directors of Sonus Networks, Inc., assisted by its committees, directs the affairs of Sonus Networks, Inc. While it should be interpreted in the context of the Company's Fourth Amended and Restated Certificate of Incorporation, as may be amended from time to time, and Amended and Restated By-laws, as may be amended from time to time, this charter is not intended to establish by its own force any legally binding obligation.

I. PURPOSES AND AUTHORITY.

The Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Sonus Networks, Inc. (the “**Company**”) shall oversee, or assist the Board in overseeing, the Company's compensation policies and practices as outlined in this charter. The Committee's duties and responsibilities are listed in greater detail below, and include, without limitation: (i) establishing compensation policies and programs for directors and executive officers of the Company; (ii) approving any employment agreements or compensatory arrangements with executive officers of the Company; (iii) administering the Company's equity incentive plans and approving grants under the plans; and (iv) reviewing and discussing with management the Company's annual meeting proxy statement and other regulatory filings.

In discharging its role, the Committee is empowered to inquire into any matter it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company, and, subject to the direction of the Board, the Committee is authorized and delegated the authority to act on behalf of the Board with respect to any matter necessary or appropriate to the accomplishment of its purposes. The Committee has the power to retain outside counsel, compensation consultants and other advisors hired to assist the Committee, who shall be accountable ultimately to the Committee. The Company shall provide adequate resources to support the Committee's activities, including compensation of the Committee's counsel, consultants and other advisors.

The Committee shall recommend to the Board any amendments of this charter as the Committee deems appropriate.

II. COMPOSITION.

The Committee shall be composed of at least two members of the Board (including a Chairperson), all of whom shall be determined by the Board to be “independent,” as such term is defined in the listing rules of the Nasdaq Stock Market (“**Nasdaq**”).

Except as otherwise directed by the Board, a director selected as a Committee member shall continue to be a member for as long as he or she remains a director of the Company or until his or her earlier resignation or removal from the Committee. Any member may be removed from the Committee by the Board, with or without cause, at any time. The Chair of the Committee shall be appointed from among the Committee members by, and serve at the pleasure

of, the Board, shall preside at meetings of the Committee and shall have the authority to convene meetings, set agendas for meetings and determine the Committee's information needs, except as otherwise provided by action of the Committee. In the absence of the Chair at a duly convened meeting, the Committee may select a temporary substitute from among its members to serve as chair of the meeting. The Board may designate one or more independent directors as alternate members of the Committee, who may replace any absent or disqualified member or members at any meeting of the Committee.

III. MEETINGS AND OPERATIONS.

The Committee shall meet as often as necessary, but at least four times each year, to enable it to fulfill its responsibilities.

The Committee shall establish its own schedule of meetings. Notice of meetings shall be given to all Committee members or may be waived. The Committee may meet by telephone conference call or by any other means permitted by law or the Company's Amended and Restated Bylaws. A majority of the members of the Committee shall constitute a quorum for a meeting. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. Subject to the Company's Amended and Restated Bylaws, the Committee may act by unanimous written consent of all members in lieu of a meeting. The Committee shall otherwise establish its own rules of procedure.

The Committee, by resolution approved by a majority of the Committee, may delegate any of its responsibilities to a subcommittee or to members of management so long as such delegation is not otherwise inconsistent with law and applicable rules and regulations of the Securities and Exchange Commission (the “**SEC**”) and Nasdaq.

The Committee shall conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this charter.

The Committee shall report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board requests, and maintain minutes or other records of Committee meetings and activities.

IV. KEY RESPONSIBILITIES.

The following responsibilities are set forth as a guide for fulfilling the Committee's purposes with the understanding that the Committee may undertake other and different activities, and the Committee's activities may diverge from those described below as appropriate under the circumstances.

In such manner as the Committee determines is appropriate to fulfill its purposes, the Committee shall:

A. Review and approve the Company's compensation plans, practices and policies for directors and executive officers, including a review of any risks arising from compensation practices and policies for employees that are reasonably likely to have a material adverse effect on the Company;

B. Review and approve the base salary and incentive cash compensation targets with respect to the chief executive officer (the "*CEO*"); set the goals and objectives relative to such incentive cash compensation targets; evaluate the CEO's performance in light of those goals and objectives; and following such evaluation, establish the CEO's incentive cash compensation level and communicate feedback relating to the CEO's evaluation to the Chairman of the Board;

C. After receiving recommendations from the CEO, review and approve the base salary and incentive cash compensation targets with respect to the executive officers other than the CEO; set the goals and objectives relative to such incentive cash compensation targets; evaluate the performance of the executive officers other than the CEO in light of those goals and objectives; and following such evaluation, establish the incentive cash compensation level of the executive officers other than the CEO;

D. Review and approve any employment agreements or arrangements with executive officers of the Company;

E. Review and approve any perquisites and other personal benefits to the Company's executive officers and directors;

F. Review the Company's succession plans for executive officers, where requested to do so by the Board;

G. Make recommendations to the Board regarding the establishment and terms of any other incentive compensation or equity-based plans and monitor their administration;

H. Administer and approve grants under the Company's equity incentive plans;

I. Make recommendations to the Board regarding compensation for directors who are not employees of the Company;

J. Review and approve the engagement and, at least annually, the remuneration provided to any compensation consultant who has provided advice to the Committee;

K. Review and discuss with management the Compensation Discussion and Analysis disclosure required by SEC regulations and determine whether to recommend to the Board, as part of a report of the Committee to the Board, that such disclosure be included in the Company's Annual Report on Form 10-K and any proxy statement for the election of directors (or information statement in lieu thereof); and

L. Prepare the Compensation Committee Report for inclusion in the Company's annual meeting proxy statement and other regulatory filings.

The Board shall have the right in its sole discretion to assign additional duties to the Committee and/or retain any such duties previously delegated to the Committee as the Board determines is appropriate from time to time.

Recommended by the Compensation Committee and approved by the Board of Directors of the Company on June 1, 2011.

**AMENDED AND RESTATED
CHARTER OF THE NOMINATING AND CORPORATE GOVERNANCE
COMMITTEE OF THE BOARD OF DIRECTORS
OF SONUS NETWORKS, INC.**

This charter is intended as a component of the flexible governance framework within which the Board of Directors of Sonus Networks, Inc., assisted by its committees, directs the affairs of Sonus Networks, Inc. While it should be interpreted in the context of the Company's Fourth Amended and Restated Certificate of Incorporation, as may be amended from time to time, and Amended and Restated By-laws, as may be amended from time to time, this charter is not intended to establish by its own force any legally binding obligation.

I. PURPOSES AND AUTHORITY.

The Nominating and Corporate Governance Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Sonus Networks, Inc. (the “**Company**”) for the purposes of (i) assisting the Board in identifying, screening and reviewing individuals qualified to serve as directors and recommending to the Board candidates for nomination for election at the annual meeting of stockholders or to fill Board vacancies; (ii) overseeing the Company's policies and procedures for the receipt of stockholder recommendations of candidates or nominations by the Board; (iii) developing, recommending to the Board and overseeing implementation of the Company's corporate governance principles; and (iv) reviewing on a regular basis the overall corporate governance of the Company and recommending improvements when necessary.

In discharging its role, the Committee is empowered to inquire into any matter it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company, and, subject to the direction of the Board, the Committee is authorized and delegated the authority to act on behalf of the Board with respect to any matter necessary or appropriate to the accomplishment of its purposes. The Committee has the power to retain outside counsel, director search and recruitment consultants, and other advisors hired to assist the Committee, who shall be accountable ultimately to the Committee. The Company shall provide adequate resources to support the Committee's activities, including compensation of the Committee's counsel, consultants and other advisors.

The Committee shall recommend to the Board any amendments of this charter as the Committee deems appropriate.

II. COMPOSITION.

The Committee shall be composed of at least two members of the Board (including a Chairperson), all of whom shall be determined by the Board to be “independent,” as such term is defined in the listing rules of the Nasdaq Stock Market (“**Nasdaq**”).

Except as otherwise directed by the Board, a director selected as a Committee member shall continue to be a member for as long as he or she remains a director of the Company or until his or her earlier resignation or removal from the Committee. Any member may be removed from the Committee by the Board, with or without cause, at any time. The Chair of the

Committee shall be appointed from among the Committee members by, and serve at the pleasure of, the Board, shall preside at meetings of the Committee and shall have the authority to convene meetings, set agendas for meetings and determine the Committee's information needs, except as otherwise provided by action of the Committee. In the absence of the Chair at a duly convened meeting, the Committee may select a temporary substitute from among its members to serve as chair of the meeting. The Board may designate one or more independent directors as alternate members of the Committee, who may replace any absent or disqualified member or members at any meeting of the Committee.

III. MEETINGS AND OPERATIONS.

The Committee shall meet as often as necessary, but at least four times each year, to enable it to fulfill its responsibilities.

The Committee shall establish its own schedule of meetings. Notice of meetings shall be given to all Committee members or may be waived. The Committee may meet by telephone conference call or by any other means permitted by law or the Company's Amended and Restated Bylaws. A majority of the members of the Committee shall constitute a quorum for a meeting. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. Subject to the Company's Amended and Restated Bylaws, the Committee may act by unanimous written consent of all members in lieu of a meeting. The Committee shall otherwise establish its own rules of procedure.

The Committee, by resolution approved by a majority of the Committee, may delegate any of its responsibilities to a subcommittee or to members of management so long as such delegation is not otherwise inconsistent with law and applicable rules and regulations of the Securities and Exchange Commission and Nasdaq.

The Committee shall conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this charter.

The Committee shall report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board requests, and maintain minutes or other records of Committee meetings and activities.

IV. KEY RESPONSIBILITIES.

The following responsibilities are set forth as a guide for fulfilling the Committee's purposes, with the understanding that the Committee may undertake other and different activities, and the Committee's activities may diverge from those described below, as appropriate under the circumstances.

In such manner as the Committee determines is appropriate to fulfill its purposes and in addition to such other duties as the Board may from time to time assign, the Committee shall:

A. Nominating and Related Matters

1. Recommend to the Board for approval, oversee the implementation and effectiveness of, recommend modifications as appropriate to, and review Company disclosures concerning, the Company's policies and procedures for identifying and reviewing Board nominee candidates, including: (a) the criteria (including experience, qualifications, attributes or skills in light of the Company's business and structure) for Board nominees; (b) whether or not to consider diversity in the identification of director nominees, implementation of any policy with regard to the consideration of diversity in the identification of director nominees, and how the Committee assesses the effectiveness of such policy, and (c) the consideration of Board nominee candidates recommended by stockholders;
2. Identify, screen and review individuals qualified to serve as directors, consistent with criteria approved by the Board (including evaluation of incumbent directors for potential re-nomination); and recommend to the Board candidates for: (a) nomination for election and re-election by the stockholders; and (b) any Board vacancies that are to be filled by the Board, subject to any rights regarding the selection of directors by holders of preferred shares and any other contractual or other commitments of the Company; in so doing, the Committee shall consider, in addition to any other criteria for the selection of Board members set by the Board from time to time, the following for nomination of directors:
 - demonstrated business knowledge and experience and an ability to exercise sound judgments in matters that relate to the current and long-term objectives of the Company;
 - commitment to understand the Company and its industry and to regularly attend and participate in meetings of the Board and its committees;
 - reputation for integrity, honesty and adherence to high ethical standards;
 - ability and experience in understanding the sometimes conflicting interests of the various constituencies of the Company, which include stockholders, employees and customers, and to act in the interests of all stockholders; and
 - no conflicts of interest that would impair the nominee's ability to represent the interests of all the Company's stockholders and to fulfill the responsibilities of being a director;
3. Consider and recommend to the Board mechanisms to refresh the Board where appropriate (e.g., age and term limits);
4. Review Company disclosure concerning the specific experience, qualifications, attributes or skills that led to the conclusion that each director and nominee should serve as a director in light of the Company's business and structure;

5. Review annually the relationships between directors, the Company and members of management and recommend to the Board whether each director qualifies as "independent" under the Board's definition of "independence" and the applicable listing rules of Nasdaq;

B. Corporate Governance Matters

6. Develop and recommend to the Board, oversee the implementation and effectiveness of, and recommend modifications as appropriate to, a set of corporate governance guidelines applicable to the Company;
7. Coordinate and oversee the annual self-evaluation of the role and performance of the Board, its committees, individual directors, and management in the governance of the Company;
8. Review annually with the Board the composition of the Board as a whole, including the size of the Board, whether the Board reflects the appropriate balance of independence, sound judgment, business specialization, technical skills, diversity and other desired qualities, and a succession plan in the event one or more directors ceases to serve for any reason;
9. Review the Board's leadership structure in light of the specific characteristics or circumstances of the Company and recommend any changes to the Board for approval;
10. Review periodically the committee structure of the Board and recommend to the Board for its approval the appointment of directors to Board committees and assignment of committee chairs;
11. Review Company disclosures relating to Board leadership;
12. Consider and, if appropriate, act upon stockholder suggestions regarding director and management compensation, and advise the Board on policies to further effective communications with stockholders; and
13. Identify appropriate director development and continuing education opportunities and make recommendations to the Board as appropriate.

Recommended by the Nominating and Corporate Governance Committee and approved by the Board of Directors of the Company on June 1, 2011.

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “**Board**”) of Sonus Networks, Inc. (the “**Company**”) is responsible for overseeing the Company’s management and its performance. The Board has established the following guidelines to assist in the fulfillment of its responsibilities to the Company and its stockholders. The governance practices that are memorialized in these guidelines are intended to ensure that the Board has the necessary processes to review and evaluate the Company’s business operations as needed and to make decisions consistent with the interests of the Company’s stockholders. The Corporate Governance Guidelines are subject to review periodically and are subject to future refinement, modification or changes from time to time as the Board may find necessary or advisable.

A. Overview of the Board

1. Role of the Board

The business and affairs of the Company shall be managed by or under the direction of the Board. A director is expected to spend the time and effort necessary to properly discharge such director’s responsibilities, including regularly attending meetings of the Board and committees on which such director sits, and reviewing, prior to such meetings, the material distributed in advance for such meetings.

2. Goals of the Board

The goals of the Board are generally to build long-term value for the Company’s stockholders and to assure the success of the Company for its stakeholders, including the Company’s stockholders, employees, customers, suppliers and the communities in which the Company operates. To achieve these goals, the Board is charged with monitoring the performance of the Company and its officers as well as the Company’s programs and procedures to ensure compliance with law and the overall success of the Company.

B. Board Composition

1. Board Size

The Board should have a sufficient number of directors to reflect a diversity of perspectives, backgrounds and experiences, but not so many directors that the size of the Board hinders effective discussion or diminishes individual accountability. The Board periodically reviews the appropriate size of the Board based on the Company’s circumstances and the availability of outstanding candidates.

2. Selection of Board Nominees

The Board is responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders. Board members are elected at each annual meeting of stockholders. The Nominating and Corporate Governance Committee of the Board is responsible for identifying, screening and recommending candidates to the Board for election to the Board and to fill Board vacancies when they arise. In

evaluating the suitability of individual Board members, the Board considers many factors, including issues of experience, wisdom, integrity, independence, skills such as an understanding of the Company’s business environment, finance and marketing, and educational and professional background, all in the context of an assessment of the perceived needs of the Board at that time. Nominees must be willing and able to devote adequate time and effort to Board responsibilities.

The Nominating and Corporate Governance Committee also considers nominees proposed by stockholders. In considering candidates submitted by stockholders, the Nominating and Corporate Governance Committee will take into consideration the current make-up of the Board, what skills should be added (if any) and the qualifications of the candidate. The Nominating and Corporate Governance Committee may establish procedures, from time to time, regarding stockholder submission of candidates. The Nominating and Corporate Governance Committee will evaluate stockholder-recommended director candidates by following substantially the same process and applying substantially the same criteria as it follows for candidates submitted by others.

3. Board Membership Criteria

The Board encourages the selection of directors who will contribute to the Company’s overall corporate goals of responsibility to its stockholders, customers and employees. The Charter of the Nominating and Corporate Governance Committee, as may be amended from time to time, sets forth general criteria for nomination as a director. The Nominating and Corporate Governance Committee reviews from time to time the appropriate skills and characteristics required of individual Board members to contribute to the success of the Company in today’s business environment. The Company has no maximum time or age limitation for service on the Board.

4. Board Composition — Independent Directors

The Board shall be comprised of a majority of directors who, in the business judgment of the Board, qualify as “independent directors” under the listing standards of the Nasdaq Stock Market (“**Nasdaq**”) and these Corporate Governance Guidelines.

Each director’s relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company) shall be reviewed annually, and only those directors (i) who, in the opinion of the Board, have no relationship that would interfere with the exercise of independent judgment in carrying out each such director’s responsibilities and (ii) who otherwise meet the requirements of the applicable listing standards, shall be considered independent for purposes of Board and committee composition and other matters where independence is a relevant consideration. In determining the independence of a director, the Board will be guided by the definitions of “independent director” in the listing standards of Nasdaq and applicable laws and regulations. In the event that a director becomes aware of any change in circumstances that may result in such director no longer being considered independent under the listing standards of Nasdaq or under applicable law and regulations, such director shall promptly inform the Chairman of the Audit Committee.

C. Independent Board Leadership

The Board shall have independent leadership. The Board has determined that the Board leadership structure that is most appropriate at this time is a non-executive Chairman. The duties of the non-executive Chairman, among others, are to:

- Convene and preside over Board meetings;
- Convene and preside over executive sessions or other meetings of the independent directors;
- Consult with the Chief Executive Officer as to agenda items and appropriate materials for Board and committee meetings;
- Coordinate with committee chairs in the development and recommendations relative to Board and committee meeting content and schedules; and
- Provide the Chief Executive Officer's annual performance evaluation communicating the feedback from the Compensation Committee and the Board.

D. Board Compensation

The Compensation Committee reviews, or may request management or outside consultants to review, appropriate compensation policies for the directors serving on the Board and its committees, and makes recommendations to the Board. This review may consider board compensation practices at other comparable companies, contributions to Board functions, service as committee chairs and other appropriate factors. Directors are eligible to receive stock option grants and/or restricted stock awards at the Board's discretion.

E. Board Meetings

1. Scheduling of Meetings

The Board ordinarily will schedule board meetings in advance at least once every quarter. In addition to the regularly scheduled meetings, special meetings may be called from time to time as determined by the needs of the business. The Board shall meet whenever a meeting is properly called in accordance with the Company's Amended and Restated By-laws, as may be amended from time to time.

2. Agenda and Materials

The non-executive Chairman has primary responsibility for establishing and arranging for the distribution of the agenda for each meeting. Information and materials that are relevant to the Board's understanding of the matters to be discussed at any meeting will be distributed in writing (where feasible) or electronically to all Board members in advance of the meeting to help facilitate the efficient use of time at meetings to deliberate and make decisions on key issues facing the Company. Certain matters to be discussed at Board meetings may be extremely time-sensitive in which case it may not be possible to distribute materials in advance of the meeting.

3. Access to Management and Outside Advisors

The Board shall have access to the Company's management and outside advisors who are advising the Company. The members of the Board shall use their best judgment to ensure that any access they receive does not interfere with the operations of the Company.

4. Access to Employees and Information

The Board shall have access to Company employees, independent auditors and all Company information to ensure that directors have the opportunity to gather all information necessary to fulfill their duties. The Board and each of its committees, subject to their individual charters, shall have the right to retain independent outside financial, legal or other advisors to further their individual objectives and to enhance the performance of their duties. The Company shall provide appropriate funding, as determined by the Board or the applicable committee, for the payment of compensation to any such advisors. The Board may request the participation at Board meetings of employees who have the knowledge and expertise to assist the Board in fully understanding the matters being considered.

5. Executive Sessions of Independent Directors

The independent directors of the Company meet separately at every regularly scheduled Board meeting with no management directors or management present to discuss such matters as the independent directors consider appropriate. Executive sessions are convened and chaired by the non-executive Chairman or, if the non-executive Chairman is not available, by an independent director selected by the directors present at the executive session.

F. Board Committees

1. Committees

The Board has three standing committees — the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee — and one ad-hoc committee, the Corporate Development and Investment Committee. The Board may establish new standing and ad hoc committees or disband existing Committees as it deems advisable, subject to applicable laws and regulations.

2. Committee Members

The Board designates the members and chair of each of its committees upon the recommendation of the Nominating and Corporate Governance Committee, by matching the committee's function, membership requirements and needs for expertise with individual skills and experience of the Board members. The members of the Audit, Compensation and Nominating and Corporate Governance Committees consist solely of independent directors. In determining the independence of a committee member, the Board will be guided by the definitions of "independence" in the listing standards of Nasdaq and applicable laws and regulations.

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3. Committee Functions and Responsibilities

Each committee will perform its duties as assigned by the Board, in compliance with such committee's charter, if any, and in compliance with any legal, regulatory, accounting or governance rules or principles applicable to the committee's function. The following is a brief summary of the functions and responsibilities of each standing committee and the ad-hoc committee:

Audit Committee — The Audit Committee reviews the financial information that will be provided to stockholders and others, the systems of internal controls that management and the Board have established, the selection and performance of the Company's independent auditors, the independence of the auditors from Company management, and the Company's audit and financial reporting practices and procedures.

Compensation Committee - The Compensation Committee advises and assists management in developing the Company's overall compensation strategy to assure that it promotes stockholder interests, supports the Company's strategic and tactical objectives, and provides for appropriate rewards and incentives for the Company's management and employees. In addition, the Compensation Committee determines the compensation of the Company's Chief Executive Officer. The Compensation Committee also makes recommendations for approval by the full Board of any compensation for members of the Board.

Nominating and Corporate Governance Committee — The Nominating and Corporate Governance Committee identifies and selects the individuals to be nominated by the Board for election as directors at the Company's annual stockholder meetings and to fill Board vacancies that may arise from time to time. The Nominating and Corporate Governance Committee also considers nominees proposed by stockholders. In addition, the Nominating and Corporate Governance Committee is responsible for developing and recommending to the Board a set of corporate governance guidelines for the Company. The Nominating and Corporate Governance Committee also oversees the evaluation of the Board, its committees and individual directors.

Corporate Development and Investment Committee — The Corporate Development and Investment Committee provides advice to the Board with respect to the Company's minority investments, the issuance of debt securities of the Company, stock repurchase programs that may be adopted by the Board, uses of the Company's cash and short-term investments, and tax planning. The Corporate Development and Investment Committee, however, does not have authority to act on behalf of or bind the Company, unless directed by the Board.

4. Committee Meetings and Agenda

Each Board committee is responsible for developing, together with the relevant Company managers, the committee's general agenda and objectives and for setting the specific agenda for committee meetings. The committee members determine the frequency and length of committee meetings consistent with each committee's charter, if any.

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G. Responsibilities of Board Members

1. Board Responsibilities.

The basic responsibility of each director is to exercise his or her business judgment and to act in what each director reasonably believes to be in the best interests of the Company and its stockholders. The directors must also conduct themselves in accordance with their duties of care and loyalty, and keep confidential all non-public information they receive in connection with Board service. The Board must ensure that the long-term interests of the Company's stockholders are being served. The Board is responsible for the oversight of the business and affairs of the Company, which requires it to, among other things, (i) select, evaluate and compensate management, (ii) determine the strategy and objectives of the Company, (iii) provide oversight of risk assessment and monitoring processes, and (iv) set expectations about the tone and ethical culture of the Company and monitor adherence to the Company's standards and policies.

2. Director Orientation and Continuing Education

The Company shall provide new directors with an orientation program to familiarize each such director with the Company's overall business, strategies, plans, management structures and issues, compliance programs, and governance policies, among others. The Nominating and Corporate Governance Committee considers continuing educational programs to ensure a consistent level of expertise in the performance of their duties.

3. Management Succession Planning

The Company's Chief Executive Officer shall review with the Board succession and management development plans for senior executive officers. The Board may from time to time request that the Nominating and Corporate Governance and/or Compensation Committee undertake specific reviews concerning management succession planning.

4. Financial Reporting, Legal Compliance and Ethical Conduct

The Company's executive management retains the primary responsibility for preparing financial statements that accurately and fairly present the Company's financial results and condition and for maintaining systems and procedures that promote compliance with legal and regulatory requirements and the ethical conduct of the Company's business. The Company's conduct and ethics policies apply to all directors and employees, including executive management. The Company's directors and executive management must affirm annually in writing their compliance with the Company's conduct and ethics policies. The Board expects that Company management bring to its attention or to the attention of the Audit Committee any issues relating to financial reporting, legal compliance or ethical conduct.

Recommended by the Nominating and Corporate Governance Committee and approved by the Board of Directors of the Company on June 1, 2011.