

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

RIBBON COMMUNICATIONS INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of incorporation or organization)

82-1669692
(I.R.S. Employer Identification No.)

4 Technology Park Drive
Westford, Massachusetts 01886
(978) 614-8100
(Address, including zip code, of principal executive offices)

RIBBON COMMUNICATIONS INC.
RESTRICTED STOCK UNIT INDUCEMENT AWARD AGREEMENTS
(Full title of the plans)

Justin Ferguson
Executive Vice President, General Counsel and Corporate Secretary
4 Technology Park Drive
Westford, Massachusetts 01886
(978) 614-8100
(Name, address and telephone number, including area code, of agent for service)

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common stock, \$0.0001 par value per share	5,212,963(2)	\$ 2.31(2)	\$ 12,041,944.53	\$ 1,563.04

(1) Represents shares of common stock reserved for issuance pursuant to the restricted share unit inducement award agreements to be entered into with Bruce McClelland as a material inducement for his employment with the Registrant. Pursuant to Rule 416 of the Securities Act of 1933, as amended (the “**Securities Act**”), this Registration Statement shall also cover any additional shares of common stock, par value \$0,0001 per share (“**Common Stock**”) of the Registrant which become issuable by reason of any future stock dividend, stock split, recapitalization or other similar transaction or to cover such additional shares as may hereinafter be offered or issued to prevent dilution resulting from stock splits, stock dividends, recapitalizations or certain other capital adjustments, effected without the receipt of consideration by the Registrant, which results in an increase in the number of outstanding shares of Common Stock.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rules 457(c) and 457(h) of the Securities Act, and based upon the average of the high and low prices of the Registrant's common stock as reported on the Nasdaq Global Select Market on March 12, 2020.

EXPLANATORY NOTE

This registration statement registers 5,212,963 shares of common stock that may be issued pursuant to the restricted share unit inducement award agreements entered into with Bruce McClelland (the “**Inducement Awards**”) as a material inducement for his employment with the Registrant. The Inducement Awards were approved by the compensation committee of the Registrant’s board of directors in reliance on the employment inducement exception to shareholder approval provided under Nasdaq Listing Rule 5635(c)(4).

PART I
INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Item 1. Plan Information.

The information required by Item 1 is included in documents sent or given to participants in the plans covered by this Registration Statement pursuant to Rule 428(b)(1) of the Securities Act.

Item 2. Registrant Information and Employee Plan Annual Information.

The written statement required by Item 2 is included in documents sent or given to participants in the plan covered by this Registration Statement pursuant to Rule 428(b)(1) of the Securities Act.

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The Registrant is subject to the informational and reporting requirements of Section 13(a), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). The following documents, which are on file with the Commission, are incorporated into this Registration Statement by reference:

- (a) [The Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed with the Commission on February 28, 2020;](#)
- (b) [The Registrant's Current Report on Form 8-K filed with the Commission on January 2, 2020;](#)
- (c) [The Registrant's Current Report on Form 8-K filed with the Commission on January 28, 2020;](#)
- (d) [The Registrant's Current Report on Form 8-K filed with the Commission on January 30, 2020;](#)
- (e) [The Registrant's Current Report on Form 8-K filed with the Commission on February 19, 2020;](#)
- (f) [The Registrant's Current Report on Form 8-K filed with the Commission on March 3, 2020;](#)
- (g) [The Registrant's Current Report on Form 8-K filed with the Commission on March 4, 2020;](#) and
- (h) The description of the Registrant's Common Stock, which is contained the [Registrant's prospectus filed with the Commission on September 22, 2017, pursuant to Rule 424\(b\)](#) under the Securities Act, relating to the Registration Statement on Form S-4, including any amendments or reports filed for purposes of updating such description, including the Description of Capital Stock filed as Exhibit 4.1 to the Registrant's [Annual Report on Form 10-K for the year ended December 31, 2019.](#)

All reports and other documents filed by the Registrant with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act after the date hereof and prior to the filing of a post-effective amendment which indicates that all securities offered pursuant to this Registration Statement have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents or reports.

For purposes of this Registration Statement, any document or any statement contained in a document incorporated or deemed to be incorporated herein by reference shall be deemed to be modified or superseded to the extent that a subsequently filed document or a statement contained therein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference, modifies or supersedes such document or such statement in such document. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Under no circumstances shall any information furnished under Item 2.02 or 7.01 of Form 8-K be deemed incorporated herein by reference unless such Form 8-K expressly provides to the contrary.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Section 102 of the Delaware General Corporation Law permits a corporation to eliminate the personal liability of its directors or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his or her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. The Registrant's certificate of incorporation provides that no director shall be personally liable to the Registrant or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, *provided, however*, that to the extent required from time to time by applicable law, the Registrant's certificate of incorporation does not eliminate or limit the liability of a director, to the extent such liability is provided by applicable law, (i) for any breach of the director's duty of loyalty to the Registrant or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transactions from which the director derived an improper personal benefit.

Section 145 of the Delaware General Corporation Law provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he or she is or is threatened to be made a party by reason of such position, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

The Registrant's certificate of incorporation and by-laws provide that the Registrant will, to the fullest extent permitted by Section 145 of the Delaware General Corporation Law, indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative by reason of being or having been a director or officer of the Registrant or, while a director or officer of the Registrant, serving or having served at the Registrant's request as a director, trustee, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, or by reason of any action alleged to have been taken or omitted in such capacity, against all expense, liability and loss (including attorneys' fees, judgments, fines, any excise taxes or penalties and amounts paid in settlement pursuant to the Employee Retirement Income Security Act of 1974, as may be amended from time to time) reasonably incurred or suffered by him in connection with such action, suit or proceeding and any appeal therefrom, and such indemnification shall continue as to an Indemnitee who has ceased to be a director, trustee, officer, employee, or agent. The right to indemnification does not apply to any proceeding initiated by such persons unless the initiation of the proceeding was approved by the Registrant's board of directors.

The Registrant maintains a general liability insurance policy which covers certain liabilities of its directors and officers of the Registrant arising out of claims based on acts or omissions in their capacities as directors or officers.

The Registrant has generally entered into indemnification agreements with its directors and officers. These indemnification agreements require the Registrant, among other things, to indemnify its directors and officers for certain expenses (including attorneys' fees), judgments, fines, penalties and settlement amounts, actually and reasonably incurred by a director or officer in any action or proceeding arising out of his service as one of the Registrant's directors or officers, or as a director, partner, trustee, officer, employee or agent of another entity at the Registrant's request.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit Number	Description of Exhibit
<u>4.1</u>	<u>Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K12B, filed October 30, 2017 with the SEC).</u>
<u>4.2</u>	<u>Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed November 28, 2017 with the SEC).</u>
<u>4.3</u>	<u>Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.3 to the Registrant's Annual Report on Form 10-K, filed March 8, 2018 with the SEC).</u>
<u>5.1*</u>	<u>Opinion of Latham & Watkins LLP.</u>
<u>23.1*</u>	<u>Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm for Ribbon Communications Inc.</u>
<u>23.2*</u>	<u>Consent of Latham & Watkins LLP (included in Exhibit 5.1).</u>
<u>24.1*</u>	<u>Power of Attorney (included on the signature page of the Registration Statement).</u>
<u>99.1*</u>	<u>Restricted Stock Unit Award Agreement with Bruce McClelland (Time Vesting).</u>
<u>99.2*</u>	<u>Restricted Stock Unit Award Agreement with Bruce McClelland (Performance Vesting).</u>

*Filed herewith.

Item 9. Undertakings.

(a) The undersigned Company hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) shall not apply if the Registration Statement is on Form S-8, and the information required to be included on a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof; and

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Company hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Westford, Commonwealth of Massachusetts, on this 16th day of March, 2020.

RIBBON COMMUNICATIONS INC.

By: /s/ Justin Ferguson

Justin Ferguson

Executive Vice President, General Counsel and Corporate Secretary

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Daryl E. Raiford and Justin Ferguson, and each of them, as his or her true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for him or her in any and all capacities, to sign any and all amendments to this Registration Statement (including post-effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, increasing the number of securities for which registration is sought), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Commission, granting unto said attorney-in-fact, proxy, and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact, proxy and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Bruce McClelland</u> Bruce McClelland	President, Chief Executive Officer and Director (principal executive officer)	March 16, 2020
<u>/s/ Daryl E. Raiford</u> Daryl E. Raiford	Executive Vice President and Chief Financial Officer (principal financial officer)	March 16, 2020
<u>/s/ Eric Marmurek</u> Eric Marmurek	Senior Vice President and Chief Accounting Officer (principal accounting officer)	March 16, 2020
<u>/s/ Richard J. Lynch</u> Richard J. Lynch	Director	March 16, 2020
<u>/s/ Stewart Ewing</u> Stewart Ewing	Director	March 16, 2020
<u>/s/ Bruns H. Grayson</u> Bruns H. Grayson	Director	March 16, 2020
<u>/s/ Beatriz V. Infante</u> Beatriz V. Infante	Director	March 16, 2020
<u>/s/ Kent J. Mathy</u> Kent J. Mathy	Director	March 16, 2020
<u>/s/ Krish Prabhu</u> Krish Prabhu	Director	March 16, 2020
<u>/s/ Scott E. Schubert</u> Scott E. Schubert	Director	March 16, 2020
<u>/s/ Richard W. Smith</u> Richard W. Smith	Director	March 16, 2020

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LATHAM & WATKINS LLP

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March 16, 2020

Ribbon Communications Inc.
 4 Technology Park Drive
 Westford, Massachusetts 01886

Re: Registration Statement on Form S-8; 5,212,963 shares of common stock, par value \$0.0001 per share, of Ribbon Communications Inc.

Ladies and Gentlemen:

We have acted as special counsel to Ribbon Communications Inc., a Delaware corporation (the "Company"), in connection with the registration by the Company of 5,212,963 shares of its common stock, \$0.0001 par value per share (the "Shares"), issuable in connection with restricted share unit inducement award agreements entered into with Bruce McClelland as a material inducement for his employment with the Company (the "Inducement Award Agreements"). The Shares are included in a registration statement on Form S-8 under the Securities Act of 1933, as amended (the "Act"), filed with the Securities and Exchange Commission (the "Commission") on March 16, 2020 (the "Registration Statement"). This opinion is being furnished in connection with the requirements of Item 601(b)(5) of Regulation S-K under the Act, and no opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement or the related prospectus, other than as expressly stated herein with respect to the issue of the Shares.

As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of this letter. With your consent, we have relied upon certificates and other assurances of officers of the Company and others as to factual matters without having independently verified such factual matters. We are opining herein as to the General Corporation Law of the State of Delaware (the "DGCL") and we express no opinion with respect to any other laws.

Subject to the foregoing and the other matters set forth herein, it is our opinion that, as of the date hereof, when the Shares shall have been duly registered on the books of the transfer agent and registrar therefor in the name or on behalf of the recipients thereof, and have been issued by the Company against payment therefor in the circumstances contemplated by and pursuant to the Inducement Award Agreements, and assuming in each case that the issuances, grants or awards under the Inducement Award Agreements are duly authorized by all necessary corporate action and duly issued, granted or awarded in accordance with the requirements of law and the Inducement Award Agreements, the issue and sale of the Shares will have been duly authorized by all necessary corporate action of the Company, and the Shares will be validly issued, fully paid and nonassessable. In rendering the foregoing opinion, we have assumed that the Company will comply with all applicable notice requirements regarding uncertificated shares in the DGCL.

March 16, 2020

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LATHAM & WATKINS LLP

This opinion is for your benefit in connection with the Registration Statement and may be relied upon by you and by persons entitled to rely upon it pursuant to the applicable provisions of the Act. We consent to your filing this opinion as an exhibit to the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Latham & Watkins LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-8 of our reports dated February 28, 2020, relating to the financial statements of Ribbon Communications Inc. and the effectiveness of Ribbon Communications Inc.'s internal control over financial reporting, appearing in the Annual Report on Form 10-K of Ribbon Communications Inc. for the year ended December 31, 2019.

/s/ Deloitte & Touche LLP

Dallas, Texas
March 16, 2020

Restricted Stock Unit Award Agreement
(Time-Based Vesting)

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (the "Agreement"), is entered into and made effective as of March 16, 2020 (the "Grant Date"), between Ribbon Communications Inc., a Delaware corporation (the "Company"), and Bruce McClelland (the "Participant").

RECITALS

WHEREAS, the Board has determined that it is in the best interests of the Company and its stockholders to, as an inducement material to the decision by the Participant to accept employment with the Company, grant to the Participant the Restricted Stock Units (as defined below) described herein pursuant to the terms set forth below; and

WHEREAS, the award of the Restricted Stock Units pursuant to this Agreement (this "Award") is being made and granted as a stand-alone award and not granted under the Ribbon 2019 Incentive Award Plan (the "Plan"). Capitalized terms not otherwise defined herein shall have the meanings as set forth in the Plan.

NOW THEREFORE, in consideration of the Participant's agreement to accept employment with the Company and the mutual covenants hereinafter set forth, the parties agree as follows:

1. *Award of Restricted Stock Units.*

(a) Subject to the terms and conditions of this Agreement and in consideration of employment services to be rendered by the Participant to the Company and its subsidiaries, the Company hereby grants to the Participant 462,963 restricted stock units (the "Restricted Stock Units"). Each Restricted Stock Unit entitles the Participant to one (1) share of Common Stock upon vesting in accordance with the terms of this Agreement.

(b) This Award is being made and granted as a stand-alone award, separate and apart from, and outside of, the Plan, and shall not constitute an award granted under or pursuant to the Plan. Notwithstanding the foregoing, the terms, conditions and definitions set forth in the Plan (other than Section 11(i) of the Plan) shall apply to the Agreement and the Restricted Stock Units awarded hereunder as if the Restricted Stock Units had been granted under the Plan (including, without limitation, the provisions contained in Sections 10, 12(b), 12(f) and 12(i) of the Plan), and the Agreement shall be subject to such terms, conditions and definitions, which are hereby incorporated into this Agreement by reference (and any references to the Plan in this Agreement shall solely be interpreted to be references to the substance of the provisions of the Plan so incorporated, but shall not in any way imply or indicate that this Award was granted under the Plan). For the avoidance of doubt, the Restricted Stock Units awarded under this Agreement shall not be counted for purposes of calculating the aggregate number of shares of Common Stock that may be issued or transferred pursuant to awards under the Plan as set forth in Section 4(a) of the Plan. In the event of any inconsistency between the Plan and this Agreement, the terms of this Agreement shall control.

(c) This Award is intended to constitute an “employment inducement grant” under NASDAQ Listing Rule 5635(c)(4), and consequently is intended to be exempt from the NASDAQ rules regarding shareholder approval of stock option and stock purchase plans. This Agreement and the terms and conditions of the Restricted Stock Units shall be interpreted in accordance and consistent with such exemption.

2. *Vesting of Restricted Stock Units.*

(a) Upon the vesting of the Award, as described in this Section, the Company shall deliver for each Restricted Stock Unit, one (1) share of Common Stock. The share(s) of Common Stock shall be delivered as soon as practicable following vesting as set forth in Section 2(b) or 3(b) below, but in any case within thirty (30) days after the date of such vesting. Upon delivery of shares of Common Stock following the vesting of the Award, the Restricted Stock Units related to such shares will immediately and automatically terminate and be of no further force or effect.

(b) Subject to Section 3, the Restricted Stock Units shall become fully vested on the earlier of (i) March 16, 2021 and (ii) the date of the consummation of a Change in Control (the earlier date, the “Vesting Date”), so long as the Participant remains actively and continuously employed by the Company or any of its subsidiaries through the Vesting Date.

3. *Termination of Employment.*

(a) Upon the termination of the Participant’s employment with the Company and its subsidiaries for any reason (other than as set forth in Section 3(b) below), the Award, to the extent not yet vested, shall immediately and automatically terminate and be forfeited for no consideration; provided, however, that the Board may, in its sole and absolute discretion agree to accelerate the vesting of all or a portion of the Award, upon termination of employment or otherwise, for any reason or no reason, but shall have no obligation to do so.

(b) In the event that prior to the Vesting Date (i) the Company or any of its subsidiaries terminates Participant’s employment without Cause, or (ii) the Participant terminates his employment for Good Reason, then the Award shall become immediately and fully vested as of the date of such termination of employment. For purposes of this Section 3(b), “Cause” and “Good Reason” shall have the meanings ascribed to them in that certain Severance Agreement between the Company, Sonus Networks, Inc. d/b/a Ribbon Communications Operating Company, Inc., and Participant entered into as of February 18, 2020.

(c) For purposes of the Award, a termination of employment shall be deemed to have occurred on the date upon which the Participant ceases to perform active and continuous employment duties for the Company or its subsidiaries following the provision of any notification of termination or actual termination or resignation from employment, and without regard to any period of notice of termination of employment (whether expressed or implied) or any period of severance or salary continuation. Notwithstanding this Agreement or any other agreement (written or oral) to the contrary, the Participant shall not be entitled (and by accepting the Award, thereby irrevocably waives any such entitlement) to any payment or other benefit to compensate the Participant for the loss of any rights hereunder as a result of the termination or forfeiture of the Award in connection with any termination of employment. No amounts earned pursuant to the Award shall be deemed to be eligible compensation in respect of any other plan of the Company or any of its subsidiaries.

4. *No Assignment.* Except as would have been otherwise expressly permitted under the Plan, if this Award had been granted under the Plan, this Agreement may not be assigned by the Participant by operation of law or otherwise.

5. *No Rights to Continued Employment.* The granting of this Award evidenced hereby and this Agreement shall impose no obligation on the Company or any of its affiliates to continue the employment or service of the Participant and shall not lessen or affect any right that the Company or any of its affiliates may have to terminate the service of such Participant. Except as otherwise agreed in writing, the Participant shall remain an "at will" employee.

6. *Governing Law.* This Agreement will be governed by and interpreted and construed in accordance with the internal laws of the State of Delaware (without reference to principles of conflicts or choice of law) as to all matters, including, but not limited to, matters of validity, construction, effect, performance and metrics.

7. *Tax Obligations.* As a condition to the granting of the Award and the vesting and settlement thereof, the Participant acknowledges and agrees that he/she is responsible for the payment of income and employment taxes (and any other taxes required to be withheld) payable in connection with the vesting and settlement of the Award. Accordingly, the Participant agrees to remit to the Company or any applicable subsidiary an amount sufficient to pay such taxes. Such payment shall be made to the Company or the applicable subsidiary of the Company in a form that is reasonably acceptable to the Company, as the Company may determine in its sole discretion, consistent with Section 11(e) of the Plan. Notwithstanding the foregoing (but subject to Section 11(e) of the Plan), the Company may, in its discretion, retain and withhold from delivery at the time of vesting or settlement that number of shares of Common Stock having a fair market value equal to the taxes owed by the Participant, which retained shares shall fund the payment of such taxes by the Company on behalf of the Participant. The Participant acknowledges that he or she is responsible for reviewing with his or her own tax advisors the federal, state, local and other tax consequences of the transactions contemplated by this Agreement. The Participant acknowledges that he or she is not relying on any statements or representations of the Company or any of its agents.

8. *Notices.* Any notification required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or within three (3) days of deposit with the United States Postal Service or the local equivalent of the United States Postal Service, by registered or certified mail, with postage and fees prepaid. A notice shall be addressed to the Company, Attention: General Counsel, at its principal executive office and to the Participant at the address he most recently provided to the Company.

9. *Failure to Enforce Not a Waiver.* The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

10. *Amendments.* This Agreement may be amended or modified only by a written agreement signed by the Company and the Participant; provided, however, that the Board may amend or alter this Agreement and the Award granted hereunder at any time, to the extent such amendment or alternation would have otherwise been permitted under the terms of the Plan if this Award had been granted under the Plan.

11. *Authority.* The Board has complete authority and discretion to interpret and construe the terms of this Agreement. The determination of the Board as to any matter relating to the interpretation or construction of this Agreement shall be final, binding and conclusive on all parties. All references in this Agreement to the "Board" shall mean the Board or a Committee or officers referred to in Section 3(c) of the Plan to the extent that the Board's powers or authority under this Agreement have been delegated to such Committee or officers.

12. *Successors.* This Agreement will bind and inure to the benefit of the parties and their respective successors, permitted assigns, heirs, devisees, and legal representatives.

13. *Entire Agreement.* Except as set forth herein, this Agreement supersedes all prior agreements, whether written or oral and whether express or implied, between the Participant and the Company relating to the subject matter of this Agreement.

14. *Rights as a Stockholder.* The Participant shall have no rights as a stockholder of the Company with respect to any shares of Common Stock underlying or relating to the Award (including, without limitation, rights to vote or dividends) until the issuance of a stock certificate to the Participant in respect of the Award (or such shares of Common Stock are evidenced through book entry).

15. *Clawback.* The Award (including any proceeds, gains or other economic benefit actually or constructively received by the Participant upon any receipt of the Award or upon the receipt or resale of Common Shares underlying the Award) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of applicable law, including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder.

16. *Severability.* The provisions of this Agreement are severable and if any one or more provisions are deemed to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

17. *Section 409A.*

(a) This Agreement is intended to comply with or be exempt from Section 409A of the Code (together with the Department of Treasury regulations and other interpretive guidance issued thereunder, including, without limitation, any such regulations or other guidance issued after the Grant Date, "Section 409A") and, to the extent applicable, this Agreement shall be interpreted in accordance with Section 409A.

(b) If and to the extent (i) any portion of any payment, compensation or other benefit provided to the Participant pursuant to this Agreement in connection with his or her employment termination constitutes "nonqualified deferred compensation" within the meaning of Section 409A and (ii) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting the Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of "separation from service" (as determined under Section 409A) (the "New Payment Date"), except as Section 409A may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date, and any remaining payments will be paid on their original schedule.

(c) Notwithstanding any other provision of this Agreement, if at any time the Board determines that the Restricted Stock Units (or any portion thereof) may be subject to Section 409A, the Board shall have the right in its sole discretion (without any obligation to do so or to indemnify the Participant or any other person for failure to do so) to adopt such amendments to this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Board determines are necessary or appropriate for Restricted Stock Units to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from the Participant or any other individual to the Company or any of its affiliates, employees or agents.

18. *Captions.* The captions of the sections of this Agreement are for reference only and will not affect the interpretation or construction of this Agreement.

19. *Signature in Counterparts.* This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement will not be binding on either party unless and until signed by both parties.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement is effective as of the date first above written.

RIBBON COMMUNICATIONS, INC.

By: /s/ Richard Lynch

Name: Richard Lynch

Title: Director

Agreed and acknowledged as
of the date first above written:

/s/ Bruce McClelland

BRUCE MCCLELLAND

**Restricted Stock Unit Award Agreement
(Performance-Based Vesting)**

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (the “Agreement”), is entered into and made effective as of March 16, 2020 (the “Grant Date”), between Ribbon Communications Inc., a Delaware corporation (the “Company”), and Bruce McClelland (the “Participant”).

RECITALS

WHEREAS, the Board has determined that it is in the best interests of the Company and its stockholders to, as an inducement material to the decision by the Participant to accept employment with the Company, grant to the Participant the Restricted Stock Units (as defined below) described herein pursuant to the terms set forth below; and

WHEREAS, the award of the Restricted Stock Units pursuant to this Agreement (this “Award”) is being made and granted as a stand-alone award and not granted under the Ribbon 2019 Incentive Award Plan (the “Plan”).

NOW THEREFORE, in consideration of the Participant’s agreement to accept employment with the Company and the mutual covenants hereinafter set forth, the parties agree as follows:

1. *Award of Restricted Stock Units.*

(a) Subject to the terms and conditions of this Agreement and in consideration of employment services to be rendered by the Participant to the Company and its subsidiaries, the Company hereby grants to the Participant 4,750,000 restricted stock units (the “Restricted Stock Units” or “RSUs”). Each Restricted Stock Unit entitles the Participant to a certain number of shares of Common Stock (as defined in the Plan), upon vesting, in accordance with the terms of this Agreement and Schedule 1 hereto.

(b) This Award is being made and granted as a stand-alone award, separate and apart from, and outside of, the Plan, and shall not constitute an award granted under or pursuant to the Plan. Notwithstanding the foregoing, the terms, conditions and definitions set forth in the Plan (other than Section 11(i) of the Plan) shall apply to the Agreement and the Restricted Stock Units awarded hereunder as if the Restricted Stock Units had been granted under the Plan (including, without limitation, the provisions contained in Sections 10, 12(b), 12(f) and 12(i) of the Plan), and the Agreement shall be subject to such terms, conditions and definitions, which are hereby incorporated into this Agreement by reference (and any references to the Plan in this Agreement shall solely be interpreted to be references to the substance of the provisions of the Plan so incorporated, but shall not in any way imply or indicate that this Award was granted under the Plan). For the avoidance of doubt, the Restricted Stock Units awarded under this Agreement shall not be counted for purposes of calculating the aggregate number of shares of Common Stock that may be issued or transferred pursuant to awards under the Plan as set forth in Section 4(a) of the Plan. In the event of any inconsistency between the Plan and this Agreement, the terms of this Agreement shall control.

(c) This Award is intended to constitute an “employment inducement grant” under NASDAQ Listing Rule 5635(c)(4), and consequently is intended to be exempt from the NASDAQ rules regarding shareholder approval of stock option and stock purchase plans. This Agreement and the terms and conditions of the RSUs shall be interpreted in accordance and consistent with such exemption.

2. *Vesting of Restricted Stock Units.* Subject to Section 3, the Restricted Stock Units shall vest in accordance with the terms set forth in Schedule 1 attached hereto (and any applicable annexes thereto). Upon the vesting of any portion of the Award, as described in Schedule 1 attached hereto (and any applicable annexes thereto), the Company shall deliver for each Restricted Stock Unit that vests, the number of shares of Common Stock as is determined pursuant to Schedule 1 (and any applicable annexes thereto). The shares of Common Stock shall be delivered as soon as practicable following the applicable Vesting Date (as defined in Schedule 1), but in any case within 30 days after such date. Upon delivery of shares of Common Stock on or following a Vesting Date, the Restricted Stock Units related to such shares will immediately and automatically terminate and be of no further force or effect.

3. *Termination of Employment.*

(a) Upon the termination of the Participant's employment with the Company and its subsidiaries for any reason, the Award, to the extent not yet vested, shall immediately and automatically terminate and be forfeited for no consideration; provided, however, that the Board may, in its sole and absolute discretion agree to accelerate the vesting of all or a portion of the Award, upon termination of employment or otherwise, for any reason or no reason, but shall have no obligation to do so.

(b) For purposes of the Award, a termination of employment shall be deemed to have occurred on the date upon which the Participant ceases to perform active and continuous employment duties for the Company or its subsidiaries following the provision of any notification of termination or actual termination or resignation from employment, and without regard to any period of notice of termination of employment (whether expressed or implied) or any period of severance or salary continuation. Notwithstanding this Agreement or any other agreement (written or oral) to the contrary, the Participant shall not be entitled (and by accepting the Award, thereby irrevocably waives any such entitlement) to any payment or other benefit to compensate the Participant for the loss of any rights hereunder as a result of the termination or forfeiture of the Award in connection with any termination of employment. No amounts earned pursuant to the Award shall be deemed to be eligible compensation in respect of any other plan of the Company or any of its subsidiaries.

4. *No Assignment.* Except as would have been otherwise expressly permitted under the Plan if this Award had been granted under the Plan, this Agreement may not be assigned by the Participant by operation of law or otherwise.

5. *No Rights to Continued Employment.* The granting of this Award evidenced hereby and this Agreement shall impose no obligation on the Company or any of its affiliates to continue the employment or service of the Participant and shall not lessen or affect any right that the Company or any of its affiliates may have to terminate the service of such Participant. Except as otherwise agreed in writing, the Participant shall remain an "at will" employee.

6. *Governing Law.* This Agreement will be governed by and interpreted and construed in accordance with the internal laws of the State of Delaware (without reference to principles of conflicts or choice of law) as to all matters, including, but not limited to, matters of validity, construction, effect, performance and metrics.

7. *Tax Obligations.* As a condition to the granting of the Award and the vesting and settlement thereof, the Participant acknowledges and agrees that he/she is responsible for the payment of income and employment taxes (and any other taxes required to be withheld) payable in connection with the vesting and settlement of the Award. Accordingly, the Participant agrees to remit to the Company or any applicable subsidiary an amount sufficient to pay such taxes. Such payment shall be made to the Company or the applicable subsidiary of the Company in a form that is reasonably acceptable to the Company, as the Company may determine in its sole discretion, consistent with Section 11(e) of the Plan. Notwithstanding the foregoing (but subject to Section 11(e) of the Plan), the Company may, in its discretion, retain and withhold from delivery at the time of vesting or settlement that number of shares of Common Stock having a fair market value equal to the taxes owed by the Participant, which retained shares shall fund the payment of such taxes by the Company on behalf of the Participant. The Participant acknowledges that he or she is responsible for reviewing with his or her own tax advisors the federal, state, local and other tax consequences of the transactions contemplated by this Agreement. The Participant acknowledges that he or she is not relying on any statements or representations of the Company or any of its agents.

8. *Notices.* Any notification required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery or within three (3) days of deposit with the United States Postal Service or the local equivalent of the United States Postal Service, by registered or certified mail, with postage and fees prepaid. A notice shall be addressed to the Company, Attention: General Counsel, at its principal executive office and to the Participant at the address he most recently provided to the Company.

9. *Failure to Enforce Not a Waiver.* The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

10. *Amendments.* This Agreement may be amended or modified only by a written agreement signed by the Company and the Participant; provided, however, that the Board may amend or alter this Agreement and the Award granted hereunder at any time, to the extent such amendment or alternation would have otherwise been permitted under the terms of the Plan if this Award had been granted under the Plan.

11. *Authority.* The Board has complete authority and discretion to interpret and construe the terms of this Agreement and Schedule 1 hereto. The determination of the Board as to any matter relating to the interpretation or construction of this Agreement and/or Schedule 1 hereto shall be final, binding and conclusive on all parties. All references in this Agreement to the "Board" shall mean the Board or a Committee or officers referred to in Section 3(c) of the Plan to the extent that the Board's powers or authority under this Agreement have been delegated to such Committee or officers.

12. *Successors.* This Agreement will bind and inure to the benefit of the parties and their respective successors, permitted assigns, heirs, devisees, and legal representatives.

13. *Entire Agreement.* Except as set forth herein, this Agreement supersedes all prior agreements, whether written or oral and whether express or implied, between the Participant and the Company relating to the subject matter of this Agreement.

14. *Rights as a Stockholder.* The Participant shall have no rights as a stockholder of the Company with respect to any shares of Common Stock underlying or relating to the Award (including, without limitation, rights to vote or dividends) until the issuance of a stock certificate to the Participant in respect of the Award (or such shares of Common Stock are evidenced through book entry) on or following the applicable Vesting Date.

15. *Clawback.* The Award (including any proceeds, gains or other economic benefit actually or constructively received by the Participant upon any receipt of the Award or upon the receipt or resale of Common Shares underlying the Award) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of applicable law, including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder.

16. *Severability.* The provisions of this Agreement are severable and if any one or more provisions are deemed to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

17. *Section 409A.*

(a) This Agreement is intended to comply with or be exempt from Section 409A of the Code (together with the Department of Treasury regulations and other interpretive guidance issued thereunder, including, without limitation, any such regulations or other guidance issued after the Grant Date, "Section 409A") and, to the extent applicable, this Agreement shall be interpreted in accordance with Section 409A.

(b) If and to the extent (i) any portion of any payment, compensation or other benefit provided to the Participant pursuant to this Agreement in connection with his or her employment termination constitutes "nonqualified deferred compensation" within the meaning of Section 409A and (ii) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting the Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of "separation from service" (as determined under Section 409A) (the "New Payment Date"), except as Section 409A may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date, and any remaining payments will be paid on their original schedule.

(c) Notwithstanding any other provision of this Agreement, if at any time the Board determines that the Restricted Stock Units (or any portion thereof) may be subject to Section 409A, the Board shall have the right in its sole discretion (without any obligation to do so or to indemnify the Participant or any other person for failure to do so) to adopt such amendments to this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Board determines are necessary or appropriate for Restricted Stock Units to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from the Participant or any other individual to the Company or any of its affiliates, employees or agents.

18. *Captions.* The captions of the sections of this Agreement are for reference only and will not affect the interpretation or construction of this Agreement.

19. *Signature in Counterparts.* This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement will not be binding on either party unless and until signed by both parties.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement is effective as of the date first above written.

RIBBON COMMUNICATIONS INC.

By: /s/ Richard Lynch

Name: Richard Lynch

Title: Director

Agreed and acknowledged as
of the date first above written:

/s/ Bruce McClelland

BRUCE MCCLELLAND

Schedule 1

The performance goals necessary to provide for the vesting of the RSUs will be based on the sustained achievement of a certain target closing price per share of the Common Stock as set forth in the table below (each such target, a “Target Stock Price”) during the applicable “Performance Period” (as set forth in the table defined below). The Company shall have been determined to achieve the Target Stock Price during any Performance Period and the applicable RSUs shall vest if and only if the closing price per share of the Common Stock equals or exceeds the applicable Target Stock Price for a period of twenty (20) consecutive trading days.

Upon achievement of the Target Stock Price during the applicable Performance Period (e.g., attainment of Target Stock Price of \$7.50 during the First Performance Period), a number of RSUs will become vested as set forth in the table below and the Participant will receive a number of shares of Common Stock equivalent to the number of RSUs that become so vested.

(v) Performance Tranche	(w) Performance Period	(x) Value Awarded	(y) Target Stock Price	(z) Number of RSUs Eligible to Vest / Maximum Number of Shares of Common Stock Received¹ $((x) / (y))^2$
First Performance Tranche	Grant Date through September 1, 2021 (the “ <u>First Performance Period</u> ”)	\$10,000,000	\$7.50	1,333,333
Second Performance Tranche	Grant Date through September 1, 2022 (the “ <u>Second Performance Period</u> ”)	\$15,000,000	\$12.00	1,250,000
Third Performance Tranche	Grant Date through September 1, 2023	\$25,000,000	\$15.00	1,666,667
Fourth Performance Tranche	Grant Date through September 1, 2024	\$10,000,000	\$20.00	500,000
Aggregate Number of RSUs Granted / Aggregate Maximum Number of Shares of Common Stock Eligible to be Received				<u>4,750,000</u>

¹ In the event that any award would result in the distribution of a fractional share, such award will be rounded to the nearest whole share of Common Stock.

² Represents the maximum number of shares eligible to be received, calculated as the Value Awarded divided by the Target Stock Price.

The vesting described above is herein referred to as “Target Stock Price Vesting”. Notwithstanding the foregoing, in the event that a Target Stock Price is not achieved on or before the conclusion of the applicable Performance Period and Target Stock Price Vesting does not occur, the applicable portion of the RSUs that have not vested in respect of such Performance Period (the “Prior Performance Period Unvested RSUs”) may still become vested as follows:

(A) if, on the first business day following the end of the applicable Performance Period, such Prior Performance Period Unvested RSUs remain outstanding and the Look Back Percentage for such Performance Period exceeds zero percent (0%), then a number of the Prior Performance Period Unvested RSUs relating to such Performance Period equal to (i) the product of (x) the Value Awarded for such Performance Period (column x) and (y) the Look Back Percentage for such Performance Period, divided by (ii) the Target Stock Price for the Performance Period (column y) (rounded to the nearest share) shall become vested on the first business day following the end of such Performance Period (the vesting resulting from this subsection (A), the “Look Back Vesting”). For the avoidance of doubt, the Look Back Vesting shall only be applied to result in vesting of RSUs in respect of the applicable Performance Period and not for purposes of any RSUs in respect of prior Performance Periods (e.g., Look Back Vesting with respect to the Second Performance Tranche will in no event result in any vesting of any RSUs in respect of the First Performance Tranche); and

(B) if (i) the higher Target Stock Price applicable to a subsequent Performance Period is achieved in such subsequent Performance Period or (ii) on the first business day following the end of a subsequent Performance Period, such Prior Performance Period Unvested RSUs remain outstanding and the Look Back Percentage for such subsequent Performance Period equals or exceeds fifty percent (50%), all Prior Performance Period Unvested RSUs for earlier Performance Period(s) that have not previously vested due to Look Back Vesting (the “Remaining Prior Performance Period Unvested RSUs”) shall become vested (the vesting resulting from this subsection (B)(i), “Catch-Up Target Vesting” and the vesting resulting from this subsection (B)(ii), the “Catch-Up Look Back Vesting”); provided that, in the event such Remaining Prior Performance Period Unvested RSUs become vested, the number of shares of Common Stock to be received upon vesting of such Remaining Prior Performance Period Unvested RSUs in a subsequent Performance Period will equal (a) the “Value Awarded” set forth above attributable to such Remaining Prior Performance Period Unvested RSUs divided by (b) the higher Target Stock Price applicable to such subsequent Performance Period. For the avoidance of doubt, “Value Awarded” attributable to any RSUs shall be the prorated portion of the Value Awarded described above (e.g., if 20% of the First Performance Tranche were Remaining Prior Performance Period Unvested RSUs, their allocable portion of the Value Awarded for the First Performance Tranche would equal \$2,000,000 (\$10,000,000 x 20%)).

For illustrative purposes, in the event that the Target Stock Price of \$7.50 is not achieved in the First Performance Period and no Prior Performance Period Unvested RSUs vested as a result of Look Back Vesting for the First Performance Period, but the Target Stock Price of \$12.00 is achieved in the Second Performance Period, then, upon attainment of the Target Stock Price in the Second Performance Period, the Participant would become vested in the RSUs applicable to both the First Performance Period and Second Performance Period and such RSUs would be settled in a total of 2,083,333 shares of Common Stock, consisting of (a) 833,333 shares of Common Stock in respect of the First Performance Tranche (i.e., a number of shares of Common Stock equal to the First Performance Period's "Value Awarded" (\$10,000,000 (column x)) divided by \$12.00 (i.e., the achieved Target Stock Price (column y) in the Second Performance Period)) plus (b) in respect of the Second Performance Tranche, 1,250,000 shares of Common Stock (i.e., a number of shares of Common Stock equal to the Second Performance Period's "Value Awarded" (\$15,000,000 (column x)) divided by \$12.00 (i.e., the achieved Target Stock Price (column y) in the Second Performance Period)).

Further, for illustrative purposes, in the event the Target Stock Price of \$7.50 is not achieved in the First Performance Period, but 80% of the Prior Performance Period Unvested RSUs vest as a result of Look Back Vesting for the First Performance Period (i.e., 1,066,667 RSUs), and the Target Stock Price of \$12.00 is achieved in the Second Performance Period, then, upon attainment of the Target Stock Price in the Second Performance Period, the Participant would become vested in the Remaining Prior Performance Period Unvested RSUs in respect of the First Performance Period and all RSUs applicable to the Second Performance Period and such RSUs would be settled in a total of 1,416,667 shares of Common Stock, consisting of (a) 166,667 shares of Common Stock in respect of Remaining Prior Performance Period Unvested RSUs in respect of the First Performance Period (i.e., a number of shares of Common Stock equal to the First Performance Period's "Value Awarded" attributable to the Remaining Prior Performance Period Unvested RSUs (\$2,000,000) divided by \$12.00 (i.e., the achieved Target Stock Price in the Second Performance Period)) plus (b) in respect of the Second Performance Tranche, 1,250,000 shares of Common Stock (i.e., a number of shares of Common Stock equal to the Second Performance Period's "Value Awarded" (\$15,000,000 (column x)) divided by \$12.00 (i.e., the achieved Target Stock Price (column y) in the Second Performance Period)).

Notwithstanding anything herein to the contrary, (a) in no event will any portion of the RSUs become vested after the first business day following September 1, 2024 (such business day, the "Expiration Date") and any unvested RSUs as of the Expiration Date shall be automatically forfeited for no consideration; and (b) in the event of a Change in Control prior to September 1, 2024, (i) any outstanding and unvested RSUs shall be eligible to vest and be settled immediately prior to (but subject to) the consummation of such Change in Control as if the closing price per share of the Common Stock for each trading day during the period of twenty (20) consecutive trading days ending on the closing date of such Change in Control equaled the fair market value per share of the Common Stock as of the consummation of such Change in Control (which, in the event the shares of Common Stock are sold or otherwise acquired in exchange for cash or property, shall equal the fair market value of such cash or property received) (the "Change in Control Price"), (ii) in the event that any portion of the RSUs remain unvested following any vesting contemplated by subsection (i) above, then any outstanding and unvested RSUs for the Performance Period in which the Change in Control occurs (the "CIC Performance Period") shall be eligible to vest and be settled immediately prior to (but subject to) the consummation of the Change in Control based on, and by, the application of the Look Back Vesting, provided that the Change in Control Price shall be deemed to represent the Average Trading Price (as defined below) for purposes of determining the Look Back Percentage (as defined below) for the CIC Performance Period, and (iii) in the event that any portion of the RSUs remain unvested following any vesting contemplated by subsection (i) and (ii) above, then any Prior Performance Period Unvested RSUs for Performance Periods prior to the CIC Performance Period shall be eligible to vest and be settled immediately prior to (but subject to) the consummation of the Change in Control based on, and by, the application of Catch-Up Look Back Vesting, provided that the Change in Control Price shall be deemed to represent the Average Trading Price for purposes of determining the Look Back Percentage for the CIC Performance Period, and (iv) any portion of the RSUs that remain unvested following any vesting contemplated by subsections (i),(ii) or (iii) above shall be automatically forfeited for no consideration as of the consummation of such Change in Control.

For purposes of this Schedule 1:

1. "Average Trading Price" with respect to any Performance Period means the highest average closing price per share of Common Stock over any period of twenty (20) consecutive trading days ending in such Performance Period.
 2. "Look Back Percentage" with respect to any Performance Period shall mean the following (represented as a percentage): (a) (i) the Average Trading Price for such Performance Period minus (ii) 90% of the Target Stock Price for such Performance Period, divided by (b) 10% of the Target Stock Price; provided that the Look Back Percentage shall in no event exceed one hundred percent (100%).
 3. "Vesting Date" shall mean (a) with respect to Target Stock Price Vesting and Catch-Up Target Vesting, the last day of the twenty (20) consecutive trading day-period that results in such Target Start Price Vesting or Catch-Up Target Vesting; (b) with respect to any Look Back Vesting and Catch-Up Look Back Vesting with respect to any Performance Period, the first business day following the end of such Performance Period; and (c) with respect to CIC Vesting, the date of the applicable Change in Control.
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