

**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

August 24, 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.

(c) On August 24, 2011, Maurice Castonguay accepted an offer of employment as Senior Vice President and Chief Financial Officer of Sonus Networks, Inc. (the "Company"). Mr. Castonguay will be joining the Company on or before August 29, 2011.

Pursuant to an offer letter dated August 24, 2011 (the "Employment Agreement"), Mr. Castonguay will receive an initial annual base salary of \$285,000, less applicable state and federal withholdings. He will be eligible to participate in the Company's Senior Management Cash Incentive Plan (or its successor) during each year he is employed by the Company with a target bonus of 60% of his then-current annual base salary subject to the achievement of specific objectives. For fiscal year 2011, Mr. Castonguay's specific objectives will be agreed upon with the Company's Chief Executive Officer promptly after Mr. Castonguay's commencement date and, if received, his 2011 target bonus will be pro rated for the number of days in 2011 that he was employed with the Company.

Pursuant to the Employment Agreement, Mr. Castonguay will be granted non-qualified options (the "Options") to purchase up to 500,000 shares of the Company's common stock under the Company's 2007 Stock Incentive Plan, as amended (the "Plan"), at an exercise price equal to the closing price of the Company's common stock on the NASDAQ Global Select Market on such date. Subject to the provisions of the Employment Agreement, 25% of the Options will vest on the first anniversary of his commencement date and the remaining 75% will vest in equal monthly increments through the fourth anniversary of his commencement date.

Pursuant to the Employment Agreement, Mr. Castonguay will also be granted 375,000 restricted shares of the Company's common stock (the "Performance Shares") under the Plan, which will be subject to both performance and time vesting. The Chief Executive Officer, in his sole discretion, will establish metrics reflecting "initiate", "threshold", "target" and "maximum" levels of achievement for the period January 1, 2011 through December 31, 2011 (the "Performance Period"). Subject to Mr. Castonguay remaining employed at the end of the Performance Period, if the Compensation Committee (the "Compensation Committee") of the Board of Directors of the Company determines that Company performance is: (i) above the "initiate" level of

achievement, then Performance Shares will begin to become performance vested; (ii) at the “threshold” level of achievement, then 125,000 Performance Shares will become performance vested; (iii) at the “target” level of achievement, then 250,000 Performance Shares will become performance vested; and (iv) at the “maximum” level of achievement, then 375,000 Performance Shares will become performance vested; provided, however, that the number of Performance Shares that become performance vested for performance between the “initiate”, “threshold”, “target” and “maximum” levels of achievement will be pro rated.

Once the number of Performance Shares that have performance vested has been established by the Compensation Committee pursuant to the formula described above (such number of shares being referred to as the “Restricted Shares”), 25% of the Restricted Shares will vest on the date the Company reports its financial results by which the achievement of the performance metrics can be determined and, subject to Mr. Castonguay’s continued employment with the Company, an additional 25% of the Restricted Shares will vest on each of the second, third and fourth anniversaries of his commencement date. Any Performance Shares or Restricted Shares that do not vest based on the performance and time criteria described above will automatically be forfeited.

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In the event of an Acquisition (as defined in the Employment Agreement), 50% of all unvested Options will vest immediately upon the date of Acquisition and the remaining unvested Options will continue to vest according to their terms. If the Acquisition occurs during the Performance Period, 250,000 Performance Shares will vest as follows: 50% of such shares will vest immediately upon the date of Acquisition and, subject to Mr. Castonguay’s continued employment with the Company or a successor entity, 16.667% of such shares will vest on each of the first, second and third anniversaries of the date of Acquisition. If, however, the Acquisition occurs after the Performance Period, 50% of the unvested Restricted Shares will vest immediately upon the date of Acquisition and the remaining unvested Restricted Shares will continue to vest according to their terms.

The Employment Agreement also provides that if Mr. Castonguay is terminated without Cause (as defined in the Employment Agreement) or if Mr. Castonguay terminates his employment with Good Reason (as defined in the Employment Agreement), he will receive: (1) his then-current base salary for a period of twelve (12) months (or eighteen (18) months if the termination follows an Acquisition) plus payment of 100% of his then target bonus (or 150% his then target bonus if the termination follows an Acquisition); (2) health benefits continuation for him and his dependants at the Company’s expense between the date of termination and the earlier of (i) the date Mr. Castonguay accepts other employment that provides commensurate coverage and (ii) the twelve (12) month anniversary of the date of termination ; (3) acceleration of the vesting of any unvested Options as of the termination date that would have vested over the 12 months following termination, provided that if the termination occurs in contemplation of, upon or after an Acquisition, then all unvested Options will accelerate and immediately vest on the termination date; and all Options vesting pursuant to this clause (3) will remain outstanding and exercisable for the shorter of three years from the termination date or the remaining life of the Options; and (4) any unvested Restricted Shares as of the termination date that would vest during the 12 months following Mr. Castonguay’s termination will accelerate and immediately vest upon termination, provided that, if the termination occurs in contemplation of, upon or after an Acquisition, then all unvested Restricted Shares will accelerate and immediately vest upon termination.

In the event that, during the Performance Period, the Company terminates Mr. Castonguay’s employment for any reason other than Cause, Mr. Castonguay’s employment terminates due to his death or Disability, or Mr. Castonguay terminates his employment for Good Reason, then 250,000 Performance Shares will vest as follows: 25% of the Performance Shares will vest immediately upon the termination date and the remainder of such Performance Shares that are unvested as of the termination date and that would vest during the 12 months following Mr. Castonguay’s termination will accelerate and vest immediately upon the termination date. If, however, the termination occurs in contemplation of, upon or after an Acquisition, then Mr. Castonguay will be entitled to receive 250,000 shares of the Company’s common stock on the termination date in satisfaction of his award of Performance Shares.

Mr. Castonguay is an employee-at-will.

The foregoing summary is qualified in its entirety by reference to the Employment Agreement, a copy of which is filed herewith as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Mr. Castonguay, age 60, brings extensive experience as a public-company CFO to the Company. Prior to joining the Company, Mr. Castonguay served as Senior Vice President and Chief Financial Officer of BigBand Networks, Inc., a developer of digital video networking solutions, from March 2008 to April 2010. Mr. Castonguay was the Chief Financial Officer of Acopia Networks, Inc., a developer of intelligent file virtualization software, from October 2006 until its acquisition by F5 Networks, Inc. in September 2007. From March 2006 Mr. Castonguay was the Chief Financial Officer of video-on-demand

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solutions provider Broadbus Technologies, Inc. until its was acquired by Motorola, Inc. in September 2006. From August 2005 to February 2006, Mr. Castonguay served as the Chief Financial Officer of Colubris Networks Inc., a wireless access devices company. Prior to that, he served as the Chief Financial Officer of MatrixOne, Inc., a product lifecycle management software company, from January 1999 through August 2004. Mr. Castonguay served as a Director of Media 100 Inc., from February 1997 to November 2004. He served as a Director of Cedar Point Communications, Inc. from March 2005 to February 2010. Mr. Castonguay is a certified public accountant (CPA) and holds a B.S. in accounting and an M.S. in taxation from Bentley College, as well as an M.B.A. from Babson College.

Wayne Pastore resigned on August 25, 2011 as Senior Vice President and Chief Financial Officer effective August 25, 2011.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

10.1 Employment Agreement between Sonus Networks, Inc. and Maurice Castonguay, accepted on August 24, 2011.

99.1 Press release of Sonus Networks, Inc. dated August 25, 2011 announcing appointment of its Senior Vice President and Chief Financial Officer.

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: August 25, 2011

SONUS NETWORKS, INC.

By: /s/ Jeffrey M. Snider

Jeffrey M. Snider

Senior Vice President and General Counsel

Sonus Networks, Inc.
4 Technology Park Drive
Westford, MA 01886

August 24, 2011

Maurice Castonguay
<By Electronic Delivery>

Dear Moe:

I am pleased to provide you in this letter (the "Agreement") with the terms and conditions of our offer of employment by Sonus Networks, Inc. (the "Company").

1. **Position.** The Company agrees to employ you as its Senior Vice President and Chief Financial Officer, with the powers and duties consistent with such position. You will report to the Chief Executive Officer of the Company (the "CEO"). As a full-time employee of the Company, you will be expected to devote all of your business time and energies to the affairs of the Company; any exceptions to be formally approved by the CEO.
2. **Commencement Date/Nature of Relationship.** Your employment will commence no later than Monday, August 29, 2011 (the "Commencement Date"). Employment at the Company is "at will" and either you or the Company may terminate the employment relationship at any time and for any reason or no reason, subject to the provisions of Section 8 below.
3. **Compensation.** During your employment with the Company, you will receive the following compensation:
 - (a) **Base Compensation.** Your initial base salary ("Base Salary") will be at the annualized rate of \$285,000 less applicable state and federal withholdings, paid twice monthly in accordance with the Company's normal payroll practices. The Company will review your Base Salary on an annual basis and such Base Salary may be adjusted at the discretion of the Compensation Committee of the Board (the "Compensation Committee"); provided that you may elect to terminate your employment for Good Reason (as defined below) if the Compensation Committee reduces your Base Salary without your consent.
 - (b) **Target Bonus.** You will be eligible to participate in the Senior Management Cash Incentive Plan (or its successor) during each year you are employed by the Company, with a target bonus of 60% of your then-current annual Base Salary ("Target Bonus"). If received, your Target Bonus will be pro-rated for the number of days in 2011 that you are employed with the Company. Specific objectives for 2011 will be agreed

upon with the CEO promptly after your Commencement Date. In subsequent years, your Target Bonus will be agreed upon with the CEO on or about January 1 with respect to an award for such year. Your annual Target Bonus will be paid as soon as practicable following the Company's public disclosure of its financial results for the applicable bonus year, but in no event later than April 15 of each such subsequent year.

- (c) **Stock Option Grant.** You will be granted non-qualified options ("Options") to purchase up to 500,000 shares of the Company's common stock, \$0.001 par value per share, under the Company's 2007 Stock Incentive Plan, as amended (the "Plan"), subject to the terms of the Plan and the terms of the Company's stock option agreement, which will reflect the terms of this Agreement. The grant date will be the first 15th day of the month that next follows your Commencement Date or the first business day thereafter if that day is not a business day. The per share exercise price will be the per share closing price of the Company's common stock on the grant date. Subject to the provisions of this Agreement, the Options will vest and become exercisable as follows: (i) 25% of the Options (125,000 shares) will vest on the first anniversary of your Commencement Date and (ii) the remaining 75% of the Options (375,000 shares) will vest in equal monthly increments through the fourth anniversary of your Commencement Date. The Options will expire on the tenth anniversary of your Commencement Date.
- (d) **Performance Share Grant.** In addition to the above-referenced equity grant, you will be eligible to receive the following equity compensation upon the following terms and conditions:
 - (i) You will be granted 375,000 restricted shares of the Company's common stock under the Plan (the "Performance Shares"), subject to the terms and conditions of the Plan and the Company's restricted stock agreement, which will reflect the terms of this Agreement. Such Performance Shares will be granted on the first 15th day of the month that next follows your Commencement Date or the first business day thereafter if that day is not a business day (the "Performance Share Grant Date").
 - (ii) The Performance Shares will only vest upon certain conditions:
 - (A) the Company must achieve certain performance metrics between January 1, 2011 and December 31, 2011 (the "Performance Period"); and
 - (B) except as provided below, you must remain employed with the Company at the end of such Performance Period.

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- (iii) The CEO, in his sole discretion, will establish the "initiate", "threshold", "target" and "maximum" levels of achievement during the Performance Period. If Company performance (as determined by the Compensation Committee in its sole discretion) is

determined to be:

- (A) above the “initiate” level of achievement, then Performance Shares will vest, on the schedule and subject to the terms and conditions set forth below;
- (B) at the “threshold” level of achievement, then 125,000 Performance Shares will vest, on the schedule and subject to the terms and conditions set forth below;
- (C) at the “target” level of achievement, then 250,000 Performance Shares will vest, on the schedule and subject to the terms and conditions set forth below; and
- (D) at the “maximum” level of achievement, 375,000 Performance Shares will vest, on the schedule and subject to the terms and conditions set forth below;

provided, however, that the number of Performance Shares that will vest for performance between the “initiate”, “threshold”, “target”, and “maximum” levels of achievement for the Performance Period will be pro rated.

- (iv) The number of Performance Shares determined by the formula described in Section 3(d)(iii) above (subsequently referred to as “Restricted Shares”) will then vest as follows:
 - (A) 25% of the Restricted Shares will vest on the date the Company reports its financial results by which the achievement of the performance metrics can be determined; and
 - (B) subject to your continued employment with the Company on each of the following vesting dates, 25% of the Restricted Shares will vest on each of the second, third and fourth anniversaries of your Commencement Date.
- (v) In the event that you are granted Performance Shares or Restricted Shares that will not vest, you will automatically forfeit (the “Forfeiture”), without any action required on your part, all of the unvested Performance Shares and Restricted Shares (the “Forfeited Shares”) that you received under this Agreement without the payment of consideration by the Company and the Forfeited Shares will revert to the Company. Upon and after Forfeiture, the

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Company will not pay any dividend to you on account of such Forfeited Shares or permit you to exercise any of the privileges or rights of a stockholder with respect to such Forfeited Shares, but shall, in so far as permitted by law, treat the Company as the owner of the Forfeited Shares.

- (vi) Section 83(b) Election. You may elect under Section 83(b) of the Internal Revenue Code of 1986, as amended, to be taxed at the time Performance Shares are granted on the Performance Share Grant Date (a “Section 83(b) Election”). A Section 83(b) Election must be filed with the Internal Revenue Service within thirty (30) days of the Performance Share Grant Date in connection with the grant of any Performance Shares. You are obligated to pay the Company the amount of any federal, state, local or other taxes of any kind required by law to be withheld with respect to the granting (if a Section 83(b) Election is made) or vesting (if a Section 83(b) Election is not made) of the shares. If you do not make a Section 83(b) Election, you will satisfy such tax withholding obligations by delivery to the Company, on each date on which shares of common stock will vest and such number of shares that vest on such date will have a fair market value (calculated using the last reported sale price of the common stock of the Company on the NASDAQ Global Select Market on the trading date immediately prior to such vesting date) equal to the amount of the Company’s withholding obligation; provided, however, that the total tax withholding cannot exceed the Company’s minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Such delivery of shares of common stock to the Company will be deemed to happen automatically, without any action required on your part, and the Company is hereby authorized to take such actions as are necessary to effect such delivery of shares to the Company.

(e) *Acquisition.*

- (i) In the event of an Acquisition (as defined below):
 - (A) 50% of all unvested Options will vest immediately upon the date of Acquisition, and the remaining unvested Options will continue to vest according to their terms; and
 - (B) if such Acquisition occurs during the Performance Period, 250,000 Performance Shares will vest as follows:

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- (1) 50% of such shares will vest immediately upon the date of the Acquisition; and
- (2) subject to your continued employment with the Company or a successor entity, 16.667% of such shares will vest on each of the first, second and third anniversaries of the date of Acquisition; but
- (C) if such Acquisition occurs after the Performance Period, 50% of the unvested Restricted Shares will vest immediately upon the date of the Acquisition and the remaining unvested Restricted Shares will continue to vest according to their terms.

4. Employment Eligibility. In compliance with the Immigration Reform and Control Act of 1986, you are required to establish your identity and employment eligibility. Therefore, on or before your first day of employment, you will be required to fill out an Employment Verification Form and present documents in accordance with such form.

5. Benefits. During your employment with the Company, you will be entitled to the following benefits:

- (a) You will be entitled to three (3) weeks of vacation per year and such calculation will be ratable for 2011 based upon your Commencement Date. Unused vacation may be carried over each year during your employment or paid to you upon termination consistent with Company policy and limitations;
- (b) You will be entitled to participate as an employee of the Company in all benefit plans and fringe benefits and perquisites generally provided to employees of the Company in accordance with Company policy, currently including group health, life and dental insurance, 401(k) program and equity incentive plans. The Company retains the right to change, add or cease any particular benefit for its employees; and
- (c) The Company will reimburse you for all reasonable travel, business development, meals, entertainment and other expenses incurred by you in connection with the performance of your duties and obligations on behalf of the Company. You will comply with such limitations and reporting requirements with respect to expenses as may be established by the Company from time to time and will promptly provide all appropriate and requested documentation in connection with such expenses.

6. Confidentiality. The Company considers the protection of its confidential information, proprietary materials and goodwill to be very important. Therefore, as a condition of your employment and the stock option and performance stock grants described above, you and the Company will become parties to a Confidentiality, Non-Competition and Assignment of Inventions Agreement ("Confidentiality Agreement").

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Two copies of this agreement have been sent with this Agreement. Please sign both copies and return them to the Company prior to your Commencement Date.

7. Indemnity. As an executive of the Company, the Company will provide you with an Indemnity Agreement. Two copies of this agreement have been sent with this Agreement. Please sign both copies and return them to the Company prior to your Commencement Date.

8. Termination and Eligibility for Severance. Upon any termination of your employment (the "Date of Termination"), you will be paid (i) any and all earned and unpaid portion your Base Salary through the Date of Termination; (ii) any accrued but unused vacation pay owed to you in accordance with Company practices up to and including the Date of Termination; and (iii) any allowable and unreimbursed business expenses incurred through the Date of Termination that are supported by appropriate documentation in accordance with the Company's policies. Hereafter, items (i) through (iii) in this Section 8 are referred to as "Accrued Benefits." If the Company terminates your employment for Cause (as defined below) or you terminate your employment without Good Reason (as defined below), you will be entitled to receive only the Accrued Benefits.

If the Company terminates your employment without Cause or if you terminate your employment with Good Reason, and subject to the additional conditions of this Agreement, the Company will provide you the following severance and related post-termination benefits:

- (a) The Company will continue to pay your then-current Base Salary, less applicable state and federal withholdings, in accordance with the Company's usual payroll practices, for a period of twelve (12) months following the Date of Termination, unless the termination follows an Acquisition, in which case the Company will continue such payments for a period of eighteen (18) months following the Date of Termination;
- (b) The Company will pay your then-current annual Target Bonus at 100% of target, less applicable state and federal withholdings, in a lump sum on the date described in Section 8(g) below, unless the termination follows an Acquisition, in which case such payment will be 150% of your then-current annual Target Bonus at target;
- (c) The Company will continue to pay the Company's share of medical, dental and vision insurance premiums for you and your dependents between the Date of Termination and the earlier of (i) the date you accept other employment that provides you with commensurate insurance coverage; and (ii) the twelve (12) month anniversary of the Date of Termination; provided, that if immediately prior to the termination of your employment you were required to contribute towards the cost of such premiums as a condition of receiving such insurance, you may be required to continue contributing towards the cost of such premiums under the

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same terms and conditions as applied to you and your dependents immediately prior to the termination of your employment in order to receive such continued insurance coverage;

- (d) Any stock options granted to you by the Company to purchase the Company's common stock that are unvested as of the Date of Termination and would have vested in the twelve (12) month period immediately following the Date of Termination will accelerate and immediately vest and become exercisable upon termination, and your stock options that are or become vested will remain outstanding and exercisable for the shorter of three (3) years following the Date of Termination or the original remaining life of the options; provided that if your termination occurs in contemplation of, upon or after an Acquisition, then all unvested options at that time will accelerate and immediately vest and become exercisable; and
- (e) Any Restricted Shares that are unvested as of the termination date and that would vest during the twelve (12) months following your termination will accelerate and immediately vest upon termination and such shares will be freely marketable; provided that if your

termination occurs in contemplation of, upon or after an Acquisition, then all unvested Restricted Shares at that time will fully accelerate, immediately vest upon termination and be freely marketable.

- (f) If the Company terminates your employment for any reason other than Cause, your employment terminates due to your death or Disability, or you terminate your employment for Good Reason, and such termination occurs during the Performance Period, 250,000 Performance Shares will vest as follows:
 - (i) 25% of such shares will vest immediately on the termination date; and
 - (ii) the remainder of such shares shall vest as Restricted Shares pursuant to the vesting schedule set forth in Section 8(e) above.
- (g) The Company's provision of the benefits described in Sections 8(a), (b), (c), (d), (e) and (f) above shall be conditioned upon (y) your executing and delivering to the Company a release of all claims of any kind or nature in favor of the Company in a form acceptable to the Company (the "Release Agreement"), and on such Release Agreement becoming effective as a matter of law; and (z) your compliance with the covenants in your Confidentiality Agreement. The payments described in Section 8(a) above shall commence, and the payment described in Section 8(b) shall be made, on the first regular payroll date after the eighth (8th) day following your delivery of the executed Release Agreement to the Company, provided that you have not revoked the Release Agreement. The Company shall

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have no further obligation to you in the event your employment with the Company terminates at any time, other than those obligations specifically set forth in this Section 8.

- (h) The Company may terminate your employment at any time with or without Cause by written notice to you specifying the Date of Termination. If you wish to terminate your employment for any reason, you agree to provide written notice to the Company at least thirty (30) days prior to the Date of Termination.
- (i) Definitions:
 - (i) An "Acquisition" as used in this Agreement will mean any of the following: (A) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Company or its affiliates), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or you) representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities; (B) in the event that the individuals who as of the date hereof constitute the Board, and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the Board then still in office who either were members of the Board as of the date hereof or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; (C) the consummation of a merger or consolidation of the Company with or the sale of the Company to any other entity and, in connection with such merger, consolidation or sale, individuals who constitute the Board immediately prior to the time any agreement to effect such merger or consolidation is entered into fail for any reason to constitute at least a majority of the board of directors of the surviving/purchasing or acquiring entity following the consummation of such merger, consolidation or sale; (D) the stockholders of the Company approve a plan of complete liquidation of the Company; or (E) the consummation of the sale or disposition by the Company of all or substantially all of the Company's assets to an entity not controlled by the Company.
 - (ii) "Cause" as used in this Agreement means the occurrence of any of the following: (A) your indictment for, formal admission to (including a plea of guilty or *nolo contendere* to), or conviction of, a felony, a crime of moral turpitude, dishonesty, breach of trust or

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unethical business conduct, or any crime involving the Company, (B) gross negligence or willful misconduct by you in the performance of your duties that is likely to have an adverse affect on the Company or its reputation; (C) your commission of an act of fraud or dishonesty in the performance of your duties; (D) repeated failure by you to perform your duties which are reasonably and in good faith requested in writing by your manager, the Chief Executive Officer or the Board of Directors of the Company; or (E) material breach of this Agreement by you, which you do not cure within ten (10) days following receipt by you of such written notice notifying you of such breach, or (F) breach by you of any obligation under your Confidentiality Agreement with the Company.

- (iii) "Disability" means an illness (mental or physical) or accident, which results in you being unable to perform your duties as an employee of the Company for a period of one hundred eighty (180) days, whether or not consecutive, in any twelve (12) month period.
- (iv) "Good Reason" means (A) a material breach of this Agreement by the Company, which breach is not cured by the Company within ten (10) days following receipt of written notice thereof from you; provided, however, that the Company may only utilize its cure right two (2) times hereunder; (B) a reduction in your then annual Base Salary without your approval; or (C) the assignment to you of a lower position in the organization in terms of your title or responsibility, without your approval.
- (j) *Tax Implications of Termination Payments.* Subject to this Section 8(f), any payments or benefits required to be provided under Section 8 will be provided only upon the date of a "separation from service" with the Company as defined under Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and the guidance issued thereunder ("Section 409A"), which occurs or after the date of termination

under this Section 8. The following rules will apply with respect to distribution of the payments and benefits, if any, to be provided to you under Section 8:

- (i) It is intended that each installment of the payments and benefits provided under Section 8 will be treated as a separate “payment” for purposes of Section 409A. Neither the Company nor you will have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.
- (ii) If, as of the date your “separation from service” with the Company, you are not a “specified employee” (each within the meaning of Section 409A), then each installment of the payments and benefits

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will be made on the dates and terms set forth in Section 8.

- (iii) If, as of the date of your “separation from service” with the Company, you are a “specified employee” (each, for purposes of this Agreement, within the meaning of Section 409A), then:
 - (A) Each installment of the payments and benefits due under Section 8 that, in accordance with the dates and terms set forth herein, will in all circumstances, regardless of when the separation from service occurs, be paid within the short-term deferral period (as defined for the purposes of Section 409A) will be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A; and
 - (B) Each installment of the payments and benefits due under Section 8 that is not paid within the short-term deferral period or otherwise cannot be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) and that would, absent this subsection, be paid within the six-month period following your “separation from service” with the Company will not be paid until the date that is six months and one day after such separation from service (or, if earlier, your death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following your separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence will not apply to any installment of payments if and to the maximum extent that that such installment is deemed to be paid under a separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation 1.409A-1(b)(9)(iii) (relating to separation pay upon an involuntary separation from service). Any installments that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of the second taxable year following the taxable year in which your separation from service occurs.
- (iv) Section 280G of the Code. Provided however, in the event that your benefits provided for in this letter agreement, when aggregated with any other payments or benefits received by you would constitute “parachute payments” within the meaning of

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Section 280G of the Internal Revenue Code, and would be subject to the excise tax imposed by Section 4999 of the Code, then you shall have the unilateral right to reduce, in order of priority: such severance payments by an amount required to eliminate the excise tax imposed under Section 4999. If after reduction of the severance payments, you are still subject to the excise tax imposed under Section 4999, you will have the unilateral right to reduce the number of months acceleration of your then outstanding unvested options to eliminate the excise tax imposed under Section 4999.

9. Section 409A of the Code. This Agreement is intended to comply with the provisions of Section 409A and this Agreement will, to the extent practicable, be construed in accordance therewith. Terms used in this Agreement will have the meanings given such terms under Section 409A if and to the extent required in order to comply with Section 409A. Notwithstanding the foregoing, to the extent that this Agreement or any payment or benefit hereunder will be deemed not to comply with Section 409A, then neither the Company, the Board nor any of its or their respective designees or agents will be liable to you or any other person for any actions, decisions or determinations made in good faith.

10. No Mitigation. The parties hereto agree that you will not be required to mitigate damages in respect of any termination benefit or payment due under this Agreement, nor will any such benefit or payment be offset by any future compensation or income received by you from any other source.

11. Provision of Benefits. Should the continuation of any benefits to be provided to you following the termination of your employment hereunder be unavailable under the Company’s benefit plans for any reason, the Company will pay for you to receive such benefits under substantially similar plans from similar third party providers.

12. Other Agreements. You represent and warrant to the Company that you are not bound by any agreement with a previous employer or other party which you would in any way violate by accepting employment with the Company or performing your duties as an employee of the Company. You further represent and warrant that, in the performance of your duties with the Company, you will not utilize or disclose any confidential information in breach of an agreement with a previous employer or any other party.

13. Assignment. This Agreement is personal in nature and neither of the parties hereto will, without the written consent of the other, assign or otherwise transfer this Agreement or its obligations, duties and rights under this Agreement; provided, however, that in the event of the merger, consolidation, transfer or sale of all or substantially all of the assets of the Company, this Agreement will, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor will discharge and perform all of the promises, covenants, duties and obligations of the Company hereunder.

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14. General.

- (a) *Entire Agreement; Modification.* This Agreement contains the entire agreement of the parties relating to the subject matter hereof, and the parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth otherwise herein. This Agreement supersedes any and all prior agreements, written or oral, between you and the Company. No modification of this Agreement will be valid unless made in writing and signed by the parties hereto.
- (b) *Severable Provisions.* This provisions of this Agreement are severable and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions of this Agreement will nevertheless be binding and enforceable. Notwithstanding the foregoing, if there are any conflicts between the terms of this Agreement and the terms of any Plan document referred to in this Agreement, then the terms of this Agreement will govern and control. Except as modified hereby, this Agreement will remain unmodified and in full force and effect.
- (c) *Governing Law.* This Agreement will be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts, without regard to the conflict of laws provisions hereof.
- (d) *Arbitration.*
 - (i) Any controversy, dispute or claim arising out of or relating to this Agreement or the breach hereof which cannot be settled by mutual agreement will be finally settled by binding arbitration in Boston, Massachusetts, under the jurisdiction of the American Arbitration Association, before a single arbitrator appointed in accordance with the arbitration rules of the American Arbitration Association, modified only as herein expressly provided. The arbitrator may enter a default decision against any party who fails to participate in the arbitration proceedings.
 - (ii) The decision of the arbitrator on the points in dispute will be final, non-appealable and binding, and judgment on the award may be entered in any court having jurisdiction thereof.
 - (iii) Except as otherwise provided in this Agreement, all the fees and expenses of the arbitrator will be borne by the Company, and each party will bear the fees and expenses of its own attorney.

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- (iv) The parties agree that this Section 14(d) has been included to rapidly and inexpensively resolve any disputes between them with respect to this Agreement, and that this Section 14(d) will be grounds for dismissal of any court action commenced by either party with respect to this Agreement, other than post-arbitration actions seeking to enforce an arbitration award or actions seeking an injunction or temporary restraining order. In the event that any court determines that this arbitration procedure is not binding, or otherwise allows any litigation regarding a dispute, claim, or controversy covered by this Agreement to proceed, the parties hereto hereby waive any and all right to a trial by jury in or with respect to such litigation.
- (v) The parties will keep confidential, and will not disclose to any person, except as may be required by law, the existence of any controversy hereunder, the referral of any such controversy to arbitration or the status or resolution thereof.
- (e) *Notices.* All notices will be in writing and will be delivered personally (including by courier), sent by facsimile transmission (with appropriate documented receipt thereof), by overnight receipted courier service (such as UPS or Federal Express) or sent by certified, registered or express mail, postage prepaid, to the Company at the following address: General Counsel, Sonus Networks, Inc., 4 Technology Park Drive, Westford, MA 01886, and to you at the address in your then-current employment records. Any such notice will be deemed given when so delivered personally, or if sent by facsimile transmission, when transmitted, or, if by certified, registered or express mail, postage prepaid mailed, forty-eight (48) hours after the date of deposit in the mail. Any party may, by notice given in accordance with this paragraph to the other party, designate another address or person for receipt of notices hereunder.
- (f) *Counterparts.* This Agreement may be executed in more than one counterpart, each of which will be deemed to be an original, and all such counterparts together will constitute one and the same instrument.
- (g) *Survival.* All terms of this Agreement, which by their nature extend beyond its termination, will remain in effect until fulfilled and apply to the parties' respective successors and assigns.

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goals will provide every opportunity for you to achieve your personal and professional objectives.

Moe, I am looking forward to your joining the team to help us take Sonus to the next level.

Very truly yours,

/s/ Ray Dolan

Ray Dolan
Chief Executive Officer

Accepted by:

/s/Maurice Castonguay
Maurice Castonguay

August 24, 2011
Date

For Immediate Release

8.25.2011

**SONUS NETWORKS APPOINTS MAURICE “MOE” CASTONGUAY AS
SENIOR VP AND CHIEF FINANCIAL OFFICER**

Seasoned CFO Brings Deep Industry and Public Company Experience

WESTFORD, Mass., August 25, 2011 - Sonus Networks, Inc. (NASDAQ: SONS), a market leader in next-generation IP-based network solutions, today announced the appointment of industry veteran Maurice “Moe” Castonguay as its Senior Vice President and Chief Financial Officer. Throughout his 30-plus year career, Castonguay has been instrumental in guiding private and publicly-held companies through periods of rapid change and growth.

“I am very pleased that we were able to attract a seasoned executive of Moe’s caliber to join the Sonus team,” said Ray Dolan, President and CEO of Sonus. “He has an outstanding track record of bringing the kind of organizational acumen that we need to scale Sonus to meet our aggressive goals. I look forward to leveraging Moe’s experience to help implement our short- and long-term strategies and increase shareholder value.”

Commenting on his appointment, Mr. Castonguay said, “I am thrilled to be joining Sonus at such an exciting time in the company’s trajectory. With new products, a focused growth strategy and a newly energized team, I believe Sonus is poised to become a market leader in a number of growing segments of the telecom industry.”

Castonguay joins Sonus from his most recent role as Senior Vice President and Chief Financial Officer of BigBand Networks, Inc. Prior to that, he held similar public company roles at MatrixOne, Inc, Stratus Computer, Inc. and Xylogics, Inc. He also served as CFO at a number of private companies, including Acopia Networks, Inc. and Broadbus Technologies, Inc., among others. Mr. Castonguay also previously served on the Board of Directors of Media 100 Inc. and Cedar Point Communications, Inc. Mr. Castonguay is a certified public accountant (CPA) and holds a B.S. in accounting and an M.S. in taxation from Bentley College, as well as an M.B.A. from Babson College.

Castonguay replaces Wayne Pastore, who has been CFO of Sonus since April 2010 and interim CFO since February 2010. “I want to thank Wayne for all his contributions,” said Dolan. “The process improvements he brought to Sonus have given us a stronger platform on which to build.”

About Sonus Networks

Sonus Networks, Inc. is a leader in IP networking with proven expertise in delivering secure, reliable and scalable next-generation infrastructure and subscriber solutions. With customers in over 50 countries across the globe and over a decade of experience in

transforming networks to IP, Sonus has enabled service providers and enterprises to capture and retain users and generate significant ROI. Sonus products include media and signaling gateways, policy/routing servers, session border controllers and subscriber feature servers. Sonus products are supported by a global services team with experience in design, deployment and maintenance of some of the world’s largest and most complex IP networks. For more information, visit www.sonusnet.com.

This release may contain forward-looking statements regarding future events that involve risks and uncertainties. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results. Readers are referred to Item 1A “Risk Factors” of Sonus’ Annual Report on Form 10-K for the year ended December 31, 2010 and all subsequent Quarterly Reports on Form 10-Q, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements. Any forward-looking statements represent Sonus’ views only as of today and should not be relied upon as representing Sonus’ views as of any subsequent date. While Sonus may elect to update forward-looking statements at some point, Sonus specifically disclaims any obligation to do so, except as required by law.

Sonus is a registered trademark of Sonus Networks, Inc. All other company and product names may be trademarks of the respective companies with which they are associated.

For more information, please contact:

Sonus Networks:

Fran Murphy
fmurphy@sonusnet.com
+1 978-614-8148

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