

**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

Date of Report (Date of earliest event reported) **August 30, 2007**

SONUS NETWORKS, INC.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE

(State or Other Jurisdiction
of Incorporation)

000-30229

(Commission File Number)

04-3387074

(IRS Employer
Identification No.)

7 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))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On August 30, 2007, Ellen B. Richstone, the Chief Financial Officer of Sonus Networks, Inc. (the "Registrant"), and the Registrant agreed that Ms. Richstone would retire as Chief Financial Officer of the Registrant effective September 30, 2007. Ms. Richstone will remain with the Registrant during a transition period.

In connection with Ms. Richstone's departure, the Registrant and Ms. Richstone have entered into a Separation of Employment Agreement dated September 6, 2007 (the "Separation Agreement"). The following summary of the Separation Agreement is qualified in its entirety by reference to the Separation Agreement, which is attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference. Under the Separation Agreement, Ms. Richstone will receive the following in connection with her departure:

- a lump sum severance payment in the amount of one year of Ms. Richstone's annual base salary (\$273,156); and
- the ability to exercise vested stock options for twelve months following her last day of employment.

In addition, Ms. Richstone and the Registrant have agreed to other customary terms regarding her departure.

On August 31, 2007, Richard J. Gaynor accepted an offer of employment as Chief Financial Officer of the Registrant. Mr. Gaynor will join the Registrant on October 1, 2007. A copy of the press release dated September 6, 2007 announcing the employment of Mr. Gaynor is attached as Exhibit 99.1 hereto and incorporated herein by reference.

Pursuant to an offer letter dated August 31, 2007 (the "Employment Agreement"), Mr. Gaynor will receive an annual base salary of \$270,000, which may be increased in subsequent years. He is eligible for an "on target bonus" of 60% of his annual base salary subject to the achievement of specific objectives. For fiscal year 2007, Mr. Gaynor's on target bonus will be guaranteed and pro rated for the days in 2007 he is employed by the Registrant. Mr. Gaynor will receive an option to purchase 350,000 shares of the Registrant's common stock at an exercise price equal to the closing price of the Registrant's common stock on the NASDAQ Global Select Market on October 15, 2007. Subject to his continued employment, 25% of the shares subject to the option

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. Mr. Gaynor also will receive 35,000 shares of restricted stock that will vest (subject to continued employment) 25% on the first anniversary of his commencement date and the remaining 75% will vest in equal increments semi-annually through the fourth anniversary of his commencement date. The Employment Agreement also provides that if Mr. Gaynor is terminated without cause following an acquisition of the Registrant he will receive salary continuation payments and benefits for twelve months and acceleration of unvested shares. Mr. Gaynor is an employee-at-will.

The foregoing summary is qualified in its entirety by reference to the Employment Agreement, a copy of which is attached as Exhibit 10.2 to this Current Report on Form 8-K and incorporated herein by reference.

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Richard J. Gaynor will be appointed Chief Financial Officer of the Registrant effective October 1, 2007. Mr. Gaynor has been the Chief Financial Officer, Vice President of Finance and Administration of Sycamore Networks, Inc., an optical switching company, since 2004. From 2001 to 2004, Mr. Gaynor was Vice President, Corporate Controller of Manufacturers' Services Ltd., an electronics manufacturing services company.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Separation of Employment Agreement between Sonus Networks, Inc. and Ellen B. Richstone dated September 6, 2007.
- 10.2 Employment Agreement between Sonus Networks, Inc. and Richard J. Gaynor dated August 31, 2007.
- 99.1 Press release of Sonus Networks, Inc. dated September 6, 2007 announcing employment of 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: September 6, 2007

SONUS NETWORKS, INC.

By: /s/ Charles J. Gray
Charles J. Gray
Vice President and General Counsel

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Exhibit Index

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- 10.2 Employment Agreement between Sonus Networks, Inc. and Richard J. Gaynor dated August 31, 2007.
- 99.1 Press release of Sonus Networks, Inc. dated September 6, 2007 announcing employment of Chief Financial Officer.

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September 6, 2007

PERSONAL AND CONFIDENTIAL

Ellen B. Richstone

Dear Ellen:

This letter agreement (“Agreement”) will confirm the terms of your separation of employment from Sonus Networks, Inc. (“Sonus” or the “Company”).

1. **Employment Status and Final Payments.** Your employment with the Company shall terminate following a transition period to be determined by the Parties. On the Separation Date (date to be determined), the Company shall pay you (i) all earned but unpaid salary payments up to the Separation Date, and (ii) all accrued but unused vacation pay, in accordance with the Company’s vacation policy.
2. **Payments.** After your Separation Date, subject to your execution of this Agreement and the expiration of the seven (7) day revocation period described below, you will receive a lump sum payment of \$273,156, (calculated as one year of your current annualized base salary). All payments set forth in this Agreement shall be subject to all applicable federal, state and/or local withholding and/or payroll taxes. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate you for any adverse tax effect associated with any payment or benefits or for any deduction or withholding from any payment or benefit.
3. **Health Benefits.** Your current health benefits (medical, dental and vision) will continue through the end of the month in which you are separated. After this date, you will have the right to continue your coverage by electing COBRA. If you choose to elect COBRA, all insurance premiums and any administrative fees associated therewith, shall be your sole responsibility.
4. **Benefits Cessation.** As of the Separation Date, the following benefits cease to be effective: vacation accrual, sick and personal day accrual, 401k, life and accidental death and dismemberment, flexible spending accounts and short-term/long-term disability. You are advised to consult Sonus’ Human Resources Department with respect to your rights to continue certain benefits at your own expense.
5. **Stock Options.** As set forth in the Company’s Stock Option and Incentive Plan (the “Plan”) and the stock option agreement(s) between you and the Company (the “Option Agreements”), your options to purchase the Company’s common stock shall cease vesting on the

Separation Date. You will have 12 months from the date of termination to exercise your outstanding vested shares.

6. **Stock Transactions.** As of the Separation Date, you will no longer be obligated to comply with the Company’s trading black out restrictions regarding the purchase or sale of the Company’s stock or the exercise of stock options, although you will continue to be subject to laws regarding insider trading.
7. **401(k) Plan.** All contributions to the Sonus Networks 401(k) Plan will continue through your Separation Date. You will be allowed under the plan to maintain your accumulated Sonus Networks 401(k) account funds in your Sonus Networks 401(k) account for an unspecified amount of time, or until you close the account, unless the Sonus Networks 401(k) Plan provides for a specified end date by which you must withdraw or rollover your account funds. If your balance is less than \$5,000.00, you will need to rollover your money or take a distribution.
8. **Company Property.** On or before the Separation Date, you agree to return to the Company all Company property and materials, including but not limited to, personal computers, laptops, diskettes, intangible information stored on diskettes, software programs and data compiled with the use of those programs, software passwords or codes, tangible copies of trade secrets and confidential information, telephone charge cards, manuals, building keys and passes, names and addresses of all Company customers and potential customers, customer lists, customer contacts, sales information, memoranda, sales brochures, business or marketing plans, reports, projections, and any and all other information or property previously or currently held or used by you that is or was related to your employment with the Company. You may retain your cellular phone, Blackberry and related equipment. You agree that if you discover any other Company or proprietary materials in your possession after the Separation Date, you will immediately notify the Company and return such materials to the Company.
9. **Business Expenses.** The Company will also reimburse you for all appropriately documented business expenses, including dues renewal and seminar fees, incurred through your Separation Date, in accordance with Company policy. You will be required to complete a Sonus expense report and submit it to me no later than thirty (30) days after your Separation Date.
10. **Contractual Obligations.** Your Sonus Non-competition and Confidentiality Agreement continues in effect, per its terms, after your separation of employment and you continue to be bound by all pertinent provisions thereof.
11. **Cooperation.** You agree to cooperate with and assist the Company in any administrative or judicial proceedings involving the Company, including but not limited to making your self available at reasonable times upon reasonable notice for meetings with counsel, depositions and court appearances. The Company agrees to take all reasonable steps to insure that any required assistance does not interfere with any other work in which you may then be engaged. In consideration of the releases and other commitments made by and between the parties as set forth in this Agreement, Sonus will pay your costs and expenses, including reasonable attorneys’ fees, incurred in connection with any claim, lawsuit, formal or informal investigations, subpoena, regulatory proceeding or any other proceeding which arises out of or

is related to the Company's activities during your employment. Sonus' obligation to pay such fees shall be conditioned upon your continued compliance with the terms of this Agreement.

12. Non-Disparagement Obligations. You agree not to take any action or make any statement, written or oral, which disparages or criticizes the Company, its management, directors, investors, or any other parties involved in a business relationship with the Company, or its practices, or which disrupts or impairs the Company's normal operations, including actions or statements that would (1) harm the reputation of the Company with its current and prospective customers, distributors, suppliers, other business partners, or the public; or (2) interfere with existing contractual or employment relationships with current and prospective customers, suppliers, distributors, other business partners or Company employees. Sonus will instruct its' directors and officers, and those employees made privy to the terms of this Agreement not to make any statements, orally or in writing, which disparage you and damage your personal or professional reputation.

13. Release: In exchange for the consideration provided herein, and other good and valuable consideration, the receipt of which you hereby acknowledge, you hereby agree that you and your representatives, agents, estate, heirs, successors and assigns ("You") release, remise, discharge, indemnify and hold harmless the Releasees (defined to include Sonus Networks, Inc., its predecessors, successors, parents, subsidiaries, divisions, affiliates, assigns, plan sponsors and plan fiduciaries, and its and their current and former directors, shareholders, investors, fiduciaries, officers, employees, representatives, attorneys and/or agents, all both individually, in their capacity acting on the Company's behalf, and in their official capacities), of and from any and all actions or causes of action, suits, claims, complaints, obligations, liabilities, contracts, agreements, promises, debts and damages, whether existing or contingent, known or unknown, suspected or unsuspected, arising up to and including the date of execution of this Agreement, including, but not limited to, any and all claims arising out of or in connection with (i) your employment and separation from employment with the Company; (ii) any federal, state or local law, constitution or regulation regarding either securities, employment, employment benefits, or employment discrimination and/or retaliation including, without limitation, those laws or regulations concerning discrimination on the basis of race, color, creed, religion, age, sex, sex harassment, sexual orientation, genetic information, national origin, ancestry, handicap or disability, veteran status or any military service or application for military service; (iii) any contract, whether oral or written, express or implied, any tort, whistleblower claim or common law claim; and (iv) your ownership of the Company's stock. This release is intended by You to be all encompassing and to act as a full and total release of any claims, whether specifically enumerated herein or not, that You have, may have or have had against the Releasees up to the date of execution of this Agreement. Notwithstanding the above, this release does not apply to the enforcement of: (i) this Agreement; (ii) your Stock Options Agreement; (iii) your Indemnity Agreement; or (iv) any indemnification provision contained in any relevant by-law of the Company.

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14. Waiver of Rights and Claims Under the Age Discrimination in Employment Act of 1967. As you are 40 years of age or older, you are being informed that you have or may have specific rights and/or claims under the Age Discrimination in Employment Act of 1967 (ADEA) and you agree that:

- (a) in consideration for the consideration provided herein, you specifically and voluntarily waive such rights and/or claims under the ADEA you might have against the Releasees to the extent such rights and/or claims arose prior to the date this Agreement was executed;
- (b) you understand that rights or claims under the ADEA which may arise after the date this Agreement is executed are not waived by you;
- (c) you are advised that you have at least 21 days within which to consider the terms of this Agreement and to consult with or seek advice from an attorney of your choice or any other person of your choosing prior to executing this Agreement and that such 21-day review period will not be affected or extended by any revisions, whether material or immaterial, that might be made to this Agreement;
- (d) in entering into this Agreement you are not relying on any representation, promise or inducement made by the Company or its attorneys with the exception of those promises described in this document.
- (e) you may revoke this Agreement for a period of seven (7) days following your execution hereof and all rights and obligations of both parties under this Agreement shall not become effective or enforceable until the seven (7) day revocation period has expired.

15. Accord and Satisfaction. You agree that the payments and benefits set forth in this Agreement, together with payments and benefits the Company previously provided to you, are complete payment, settlement, accord and satisfaction with respect to all obligations and liabilities of the Releasees to You, and with respect to all claims, causes of action and damages that could be asserted by You against the Releasees regarding your employment or separation from employment with the Company, including, without limitation, all claims for wages, salary, commissions, draws, car allowances, incentive pay, bonuses, business expenses, vacation, stock, stock options, severance pay, attorneys' fees, compensatory damages, exemplary damages, or other compensation, benefits, costs or sums.

16. Entire Agreement. This Agreement is the entire agreement between you and the Company, and all previous agreements or promises between you and the Company are superseded, null and void, except for the Non-Compete Agreement, the Option Agreement(s) and the Plan, each of which shall remain in full force and effect in accordance with their respective terms.

17. Choice of Law. The law of the Commonwealth of Massachusetts will govern any dispute about this Agreement, including any interpretation or enforcement of this Agreement, and you hereby submit to the jurisdiction and venue of any Massachusetts court.

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18. General Terms. In the event of any dispute, this Agreement will be construed as a whole, will be interpreted in accordance with its fair meaning, and will not be construed strictly for or against either you or the Company. This Agreement may not be changed, amended, modified, altered or rescinded except upon the express written consent of both you and an authorized Company officer. Any waiver of any provision of this Agreement by the Company shall not constitute a waiver of any other provision of this Agreement unless the Company expressly so indicates otherwise. This Agreement shall not be

assigned to you but shall be binding on the parties hereto and their respective heirs, legal representatives, successors and assigns and shall inure to the benefit of the Company's successors and assigns. If one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable at law, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing them, so as to be enforceable to the maximum extent compatible with the applicable laws as it shall then appear.

Very truly yours,

SONUS NETWORKS, INC.

By: /s/ Hassan Ahmed

Hassan Ahmed

Chief Executive Officer

YOU REPRESENT THAT YOU HAVE READ THE FOREGOING AGREEMENT, THAT YOU FULLY UNDERSTAND THE TERMS AND CONDITIONS OF SUCH AGREEMENT AND THAT YOU ARE VOLUNTARILY EXECUTING THE SAME. IN ENTERING INTO THIS AGREEMENT, YOU DO NOT RELY ON ANY REPRESENTATION, PROMISE OR INDUCEMENT MADE BY THE RELEASEES WITH THE EXCEPTION OF THE CONSIDERATION DESCRIBED IN THIS DOCUMENT.

Accepted and agreed:

By: /s/ Ellen B. Richstone
Ellen B. Richstone

September 6, 2007
Date

**IF YOU DO NOT WISH TO USE THE 21-DAY PERIOD,
PLEASE CAREFULLY REVIEW AND SIGN THIS DOCUMENT**

I, Ellen Richstone, acknowledge that I was informed and understand that I have 21 days within which to consider the attached Agreement, have been advised of my right to consult with an attorney regarding such Agreement and have considered carefully every provision of the Agreement, and that after having engaged in those actions, I prefer to and have requested that I enter into the Agreement prior to the expiration of the 21 day period.

Dated: September 6, 2007

/s/ Ellen B. Richstone
Ellen B. Richstone

Sonus Networks, Inc.

7 Technology Park Drive, Westford, MA 01886

August 31, 2007

Richard J. Gaynor

Dear Rick:

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

1. Position. Your position will be Chief Financial Officer, reporting to the President and CEO. In addition to all Financial Accounting matters, you will also have responsibility at your Start Date (as defined below) for the Company's Human Resources and Information Systems organizations. As the Company's organization evolves, the Human Resources/Information Systems departments may report to someone else, and you may be assigned other Executive duties and responsibilities as the Company may determine.

As a full-time employee of the Company, you will be expected to devote your full business time and energies to the business and affairs of the Company, however, you may serve as the member of the Board of Directors of up to two other companies provided that neither competes with the Company and provided that your service does not impair your ability to meet your commitments as a Chief Financial Officer of the Company.

2. Starting Date/Nature of Relationship. The Parties shall agree to a start date which shall be as soon as practicable. No provision of this letter shall be construed to create an express or implied employment contract for a specific period of time. Employment at Sonus Networks, Inc. is considered "at will" and either you or the Company may terminate the employment relationship at any time and for any reason.

3. Compensation.

- (a) Your initial salary will be at the rate of \$11,250.00 paid twice monthly, annualized at \$270,000.00. You will be eligible to participate in the Officer Bonus Program for 2007 with a non-discretionary target of 60% of annual base salary (your "On Target Bonus"). For the first year of employment, your 2007 On Target Bonus will be pro-rated for the number of days in 2007 that you are employed with the Company and will be paid when bonuses for 2007 are paid in the ordinary course. Payment of your 2007 pro-rated On Target Bonus will be guaranteed. Specific objectives will be agreed upon within the first ninety (90) days of your employment.
- (b) You will be granted an option to purchase 350,000 shares of common stock under the Company's Stock Plan, subject to the terms of the Plan and approval of the Compensation Committee. The options shall vest and become exercisable (i) with respect to 25% of the Shares on the first anniversary of the date that Optionee's employment with the Company commences (Start Date) and, (ii) with respect to the remaining 75% of the Shares, in equal monthly increments of 2.0833% of the Shares thereafter through the fourth anniversary of the date of employment. You will also be granted 35,000 shares of restricted stock under the Company's Stock Plan, subject to the

terms of the Plan and approval of the Compensation Committee. Restricted stock shall vest over a four-year period; 25% will vest on the first anniversary of the date the Optionee's start date. The remaining 75% of the shares shall vest semi-annually thereafter.

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 your first day of employment you will be required to fill out an Employment Verification Form and present documents in accordance with this form.

5. Benefits. You will be entitled as an employee of the Company to receive such benefits as are generally provided its employees in accordance with Company policy as in effect from time to time. Company benefits include group health, life and dental insurance, and liberal holidays, vacation and 401K programs. All employees begin accruing three (3) weeks of vacation upon date of hire. The Company is committed to providing a healthy work environment for every employee. Therefore, we provide a smoke free environment and require all employees to comply.

The Company retains the right to change, add or cease any particular benefit.

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 restricted stock grants described above, you and the Company will become parties to a Non-competition and Confidentiality Agreement. Two copies of this agreement are sent with this offer letter. Both copies must be signed and returned to the Company prior to the first day of employment.

7. Indemnity. As an executive of the Company, you will enter into an Indemnity Agreement with the Company. Two copies of this agreement are sent with this offer letter. Both copies must be signed and returned to the Company upon your employment.

8. Termination and Eligibility for Severance. Your employment with the Company shall be on an at-will basis, which means that either you or the Company may terminate the employment relationship at any time and for any or no reason. You shall not be eligible to receive the severance payments and benefits described in this Section in the event that (i) your employment is terminated by the Company for Cause (as defined below) or due to your death or disability, or (ii) you resign from employment, regardless of the reason(s) for such resignation.

In the event that the Company terminates your employment following an Acquisition (as defined below) for any reason other than Cause (as defined below) or if you are not offered an equivalent position in the combined entity, and subject to your full execution without revocation of a comprehensive release of claims against the Company in a form and scope acceptable to the Company, you will be eligible to receive the following severance and related post-termination benefits:

- (a) 12 months salary continuation payments at your then annual base salary for the 12 month period following the termination of your employment;
 - (b) 12 months health benefits continuation for the 12 month period following the termination of your employment;
 - (c) 100% of all unvested options and restricted stock described in Section 3(b) above shall immediately become vested and exercisable, subject to your serving through the Transition Period (as defined below). After the closing of the Acquisition, if requested by the Company's Board or the Acquirer, you agree to remain employed by the Company or the Acquirer for a six-month transition period ("the Transition Period") provided a senior executive position is offered to you on at least a transitional basis.
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"Acquisition" means any (i) merger or consolidation which results in the voting securities of the Company outstanding immediately prior thereto representing immediately thereafter less than a majority of the combined, voting securities of the Company or Acquirer outstanding immediately after such merger or consolidation, (ii) sale of all or substantially all of the assets or operating businesses of the Company or (iii) sale of outstanding shares of capital stock of the Company, in a single transaction or series of related transactions, representing at least 70% of the voting power of the voting securities of the Company.

Termination for "Cause" shall mean (i) your continued failure to perform substantially your duties with the Company or an Acquirer (if applicable), (ii) engaging in illegal conduct or misconduct, (iii) engaging in conduct which is materially injurious to the Company, or (iv) a willful violation of any written agreement between you and the Company, including, without limitation, this Agreement and the Noncompetition And Confidentiality Agreement.

The following rules shall apply with respect to distribution of the payments, 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 7 shall be treated as a separate "payment" for purposes of Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and the guidance issued thereunder ("Section 409A"). Neither the Company nor you shall 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 shall be made on the dates and terms set forth in Section 7; and

(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 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 hereinafter defined) shall 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. For purposes of this Agreement, the "Short-Term Deferral Period" means the period ending on the later of the 15th day of the third month following the end of the tax year in which your separation from service occurs and the 15th day of the third month following the end of the Company's tax year in which your separation from service occurs; and

(B) Each installment of the payments due under Section 8 that is not paid within the Short-Term Deferral Period and that would, absent this subsection, be paid within the six-month period following your "separation from service" with the Company shall 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 shall 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 of following the taxable year of in which your separation from service occurs.

9. Section 409A of the Code. This Agreement is intended to comply with the provisions of Section 409A and the Agreement shall, to the extent practicable, be construed in accordance therewith. Terms defined in the Agreement shall 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 the Agreement or any payment or benefit hereunder shall be deemed not to comply with Section 409A, then neither the Company, the Board of Directors nor its or their designees or agents shall be liable to you or any other person for any actions, decisions or determinations made in good faith.

10. General.

- (a) This letter will constitute our entire agreement as to your employment by the Company and will supersede any prior agreements or understandings, whether in writing or oral.
- (b) This letter shall be governed by the law of the Commonwealth of Massachusetts.
- (c) Sonus Networks is an equal opportunity employer.

You may accept this offer of employment and the terms and conditions thereof by confirming your acceptance in writing by August 31, 2007. Please send your letter to the company, or via e-mail kharris@sonusnet.com which execution will evidence your agreement with the terms and conditions set forth herein and therein. We are enthusiastic about you joining us, and believe that our technical and business goals will provide every opportunity for you to achieve your personal and professional objectives.

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

Very truly yours,

/s/ Hassan Ahmed

Hassan Ahmed
President and CEO

Accepted by:

/s/ Richard Gaynor

Richard Gaynor

August 31, 2007

Date

NONCOMPETITION AND CONFIDENTIALITY AGREEMENT

This Agreement is made between Sonus Networks, Inc., a Delaware corporation (hereinafter referred to collectively with its subsidiaries as the "Company"), and Richard J. Gaynor (the "Employee")

In consideration of the employment and/or continued employment of the Employee by the Company, the Employee and the Company hereby agree as follows:

1. **Non-competition.**

While the Employee is employed by the Company and for a period of six months after the termination or cessation of such employment for any reason, the Employee will not directly or indirectly:

(a) As an individual proprietor, partner, stockholder, officer, employee, director, joint venture, investor, lender, consultant, or in any other capacity whatsoever (other than as the holder of not more than one percent of the combined voting power of the outstanding stock of a publicly held company), develop, design, produce, market or sell (or assist any other person in developing, designing, producing, marketing or selling) products or services competitive with those developed, designed, produced, marketed or sold by the Company while the Employee was employed by the Company; or,

(b) Recruit, solicit or hire any employee of the Company, or induce or attempt to induce any employee of the Company to terminate his/her employment with, or otherwise cease his/her relationship with, the Company.

Notwithstanding the foregoing, in the event of the acquisition of all or substantially all of the business and or assets of the Company, this Agreement may be assigned to the acquirer (as provided in Section 6(c)) and, following such acquisition, the Employee's continuing obligation not to compete shall be limited to the line of business of the Company prior to the acquisition which is continued after the acquisition. The scope of such covenant shall not be expanded to include other lines of business, products or services of the entity surviving such acquisition, and if the Company's line of business is terminated following such acquisition, this covenant shall terminate.

2. **Proprietary Information.**

(a) The Employee agrees that all information, whether or not in writing, of a private, secret or confidential nature concerning the Company's business, business relationships or financial affairs (collectively, "Proprietary Information") is and shall be the exclusive property of the Company. By way of illustration, but not limitation, Proprietary Information may include inventions, products, processes, methods, techniques, formulas, compositions, compounds, projects, developments, plans, research data, clinical data, financial data, personnel data, computer programs, customer and supplier lists, and contacts at or knowledge of customers or prospective customers of the Company. The Employee will not disclose any Proprietary Information to any person or entity other than employees of the Company or use the same for any purpose (other than in the performance of his/her duties as an employee of the Company) without written approval by an officer of the Company, either during or after his/her employment with the Company, unless and until such Proprietary Information has become public knowledge without fault by the Employee.

(b) The Employee agrees that all files, letters, memoranda, reports, records, data, sketches, drawings, laboratory notebooks, program listings, or other written, photographic, or other tangible material containing Proprietary Information, whether created by the Employee or others, which shall come into his/her custody or possession, shall be and are the exclusive property of the Company to be used by the Employee only in the performance of his/her duties for the Company. All such materials or copies thereof and all tangible property of the Company in the custody or possession of the Employee shall be delivered to the Company, upon the earlier of (i) a request

by the Company or (ii) termination of his/her employment. After such delivery, the Employee shall not retain any such materials or copies thereof or any such tangible property.

(c) The Employee agrees that his/her obligation not to disclose or to use information and materials of the types set forth in paragraphs (a) and (b) above, and his/her obligation to return materials and tangible property, set forth in paragraph (b) above, also extends to such types of information, materials and tangible property of customers of the Company or suppliers to the Company or other third parties who may have disclosed or entrusted the same to the Company or to the Employee.

3. **Developments.**

(a) The Employee will make full and prompt disclosure to the Company of all inventions, improvements, discoveries, methods, developments, software, and works of authorship, whether patentable or not, which are created, made, conceived or reduced to practice by him/her or under his/her direction or jointly with others during his/her employment by the Company, whether or not during normal working hours or on the premises of the Company (all of which are collectively referred to in this Agreement as "Developments").

(b) The Employee agrees to assign and does hereby assign to the Company (or any person or entity designated by the Company) all his/her right, title and interest in and to all Developments and all related patents, patent applications, copyrights and copyright applications. However, Section 3 shall not apply to developments which do not relate to the present or planned business or research and development of the Company and which are made and conceived by the Employee not during normal Working hours, not on the Company's premises and not using the Company's tools, devices, equipment or Proprietary Information. The Employee understands that, to the extent this Agreement shall be construed in accordance with the laws of any state which precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this Section 3 shall be interpreted not to apply to any invention which a court rules and/or the Company agrees falls within such classes. The Employee also hereby waives all claims to moral rights in any Developments.

(c) The Employee agrees to cooperate fully with the Company, both during and after his/her employment with the Company, with respect to the procurement, maintenance and enforcement of copyrights, patents and other intellectual property rights (both in the United States and foreign countries) relating to Developments. The Employee shall sign all papers, including without limitation, copyright applications, patent applications, declarations, oaths, formal assignments, assignments of priority rights, and powers of attorney, which the Company may deem necessary or desirable in order to protect its rights and interests in any Development. The Employee further agrees that if the Company is unable, after reasonable effort, to secure the signature of the Employee on any such papers, any executive officer of the Company shall be entitled to execute any such papers as the agent and the attorney-in-fact of the Employee, and the Employee hereby irrevocably designates and appoints each executive officer of the Company as his/her agent and attorney-in-fact to execute any such papers on his/her behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Development, under the conditions described in this sentence.

4. **Other Agreements:**

The Employee hereby represents that, except as the Employee has disclosed in writing to the Company, the Employee is not bound by the terms of any agreement with any previous employer or other party to refrain from using or disclosing any trade secret or confidential or proprietary information in the course of his/her employment with the Company or to refrain from competing, directly or indirectly, with the business of such previous employer or any other party. The Employee further represents that his/her performance of all the terms of this Agreement and as an employee of the Company does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by the Employee in confidence or in trust

prior to his/her employment with the Company, and the Employee will not disclose to the Company or induce the Company to use any confidential or proprietary information or in material belonging to any previous employer or others.

5. **United States Government Obligations.**

The Employee acknowledges that the Company from time to time may have agreements with the other persons or with the United States Government, or agencies thereof, which impose obligations or restrictions on the Company regarding inventions made during the course of work under such agreements or regarding the confidential nature of such work. The Employee agrees to be bound by all such obligations and restrictions, which are made known to the Employee and to, take all action necessary to discharge the obligations of the Company under such agreements.

6. **Miscellaneous.**

(a) **Conflict.** The Employee represents that the execution and performance by him/her of this Agreement does not and will not conflict with or breach the terms of any other agreement by which the Employee is bound

(b) **Not Employment Contract.** The employee acknowledges that this agreement does not constitute a contract of employment and does not imply that the Company will continue his/her employment for any period of time.

(c) **Interpretation** If any restriction set forth in this Agreement is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

(d) **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(e) **Waiver of Rights.** No delay or omission by the Company in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

(f) **Equitable Remedies.** The restrictions contained in this Agreement are necessary for the protection of the business and goodwill of the Company and are considered by the Employee to be reasonable for such purpose. The Employee agrees that any breach of this Agreement is likely to cause the Company substantial and irrevocable damage and therefore, in the event of any such breach, the Employee agrees that

the Company, in addition to such other remedies, which may be available, shall be entitled to specific performance and other injunctive relief.

- (g) **Assignability.** This Agreement will be binding upon the Employee's heirs, executors and administrators and will inure to the benefit of the Company and its successors and assigns. The Company may assign this Agreement to any other corporation or entity which acquires (whether by purchase, merger, consolidation or otherwise) all or substantially all of the business and/or assets of the Company. The Employee consents to be bound by the provisions of this Agreement for the benefit of the Company or any subsidiary or affiliate thereof to whose employ the Employee may be transferred without the necessity that this Agreement be resigned at the time of such transfer.

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- (h) **Entire Agreement.** This Agreement supersedes all prior agreements, written or oral, between the Employee and the Company relating to the subject matter of this Agreement. This Agreement may not be modified, changed or discharged in whole or in part, except by an agreement in writing signed by the Employee and the Company. The Employee agrees that any change or changes in his/her duties, salary or compensation after the signing of this Agreement shall not affect the validity or scope of this Agreement.

- (i) **Governing Law.** This Agreement is governed by and will be construed as a sealed instrument under and in accordance with the laws of the Commonwealth of Massachusetts. Any action, suit, or other legal proceeding which is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the Commonwealth of Massachusetts (or, if appropriate, a federal court located within Massachusetts), and the Company and the Employee each consents to the jurisdiction of such a court.

THE EMPLOYEE ACKNOWLEDGES THAT HE/SHE HAS CAREFULLY READ THIS AGREEMENT AND UNDERSTANDS AND AGREES TO ALL OF THE PROVISIONS IN THIS AGREEMENT.

SONUS NETWORKS, INC

Date: August 31, 2007

By: /s/ Hassan Ahmed

President and Chief Executive Officer

(Print name and title)

Date: August 31, 2007

By: /s/ Richard J. Gaynor

Employee: Richard J. Gaynor



FOR IMMEDIATE RELEASE

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**RICHARD J. GAYNOR JOINS SONUS NETWORKS EXECUTIVE TEAM AS CHIEF
 FINANCIAL OFFICER**

WESTFORD, Mass., September 6, 2007 – Sonus Networks, Inc. (Nasdaq: SONS), a leading supplier of service provider IP-voice infrastructure solutions, today announced the appointment of Richard J. Gaynor as Chief Financial Officer. Gaynor is replacing Ellen Richstone, who is retiring from Sonus Networks after serving as its Chief Financial Officer. Richstone will continue in her role through a transition period. Mr. Gaynor will start October 1, 2007.

“Rick brings extensive financial and operational experience, as well as a deep knowledge of the telecommunications industry, to the role of CFO,” said Hassan Ahmed, chairman, president and CEO, Sonus Networks. “He is a proven leader who is well-respected across the industry. I am confident that as CFO his deep understanding of the business and the finance organization will support the Company’s growth and underscore our ongoing commitment to financial performance, discipline and integrity. The entire management team and I look forward to partnering with Rick as we continue to execute on achieving Sonus’ long-term operating model.”

As Sonus’ CFO, Mr. Gaynor will oversee Sonus’ worldwide finance team while managing the financial strategy of one the fastest growing companies in the high-technology industry. He will lead the implementation of several finance initiatives including strengthening the company’s information systems to streamline revenue conversion and quarterly accounting close processes, while providing real-time access to critical financial metrics. Mr. Gaynor will drive the integration of the finance function with the company’s operations including

sales and other operational functions, and will be responsible for financial planning and analysis, oversight of operational controllers, and the financial analysis of mergers and acquisitions.

Mr. Gaynor brings to Sonus nearly 20 years of financial management experience in public companies. During his tenure at Sycamore, he served as CFO focusing the operations team on expanding the company’s market opportunities and improving its financial performance. Prior to his role at Sycamore, he served as the Vice President and Corporate Controller of Manufacturers Services, Ltd. He has also served as CFO of Evans and Sutherland Computer Corporation, and held various senior financial management positions with Cabletron Systems.

“Sonus Networks is in an enviable position in the market with a reputation for continual innovation delivering disruptive technology to the market and to a distinctive customer base. I look forward to building upon Sonus’ solid foundation and developing a financial strategy that will accelerate the Company’s financial success,” said Gaynor. “Hassan and I both share a passion for building the best organizations in the industry, which is centered around maximizing long-term shareholder value through sustained profitability, disciplined financial structures, strong inter-working between sales and finance, and maintaining Sonus’ culture of financial transparency.”

Mr. Gaynor is a graduate of the National University of Ireland and holds an MBA from Trinity College in Dublin, Ireland.

“I’m excited to welcome Rick to the team, and I want to thank Ellen for her many contributions to Sonus over the past two and a half years,” continued Ahmed. “Sonus has grown significantly during the last two years, and I’m confident in Rick’s ability to extend that momentum and lead Sonus’ financial organization through our next phase of growth.”

About Sonus Networks

Sonus Networks, Inc. is a leading provider of IP-voice infrastructure solutions for wireline and wireless service providers. With its comprehensive IP Multimedia Subsystem (IMS) solution, Sonus addresses the full range of carrier applications, including residential and business voice services, wireless voice and multimedia, trunking and tandem switching, carrier interconnection and enhanced services. Sonus’ voice infrastructure solutions are deployed in service provider networks worldwide. Founded in 1997, Sonus is headquartered

This release contains 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’ Quarterly Report on Form 10-Q for the second quarter of 2007, filed with the SEC, which identifies important risk factors that could cause actual results to differ from those contained in the forward-looking statements. Risk factors include among others: the impact of material weaknesses in our disclosure controls and procedures and our internal control over financial reporting on our ability to report our financial results timely and accurately; the unpredictability of our quarterly financial results; whether the Company will remain listed on the NASDAQ Global Select Market; regulatory actions or litigation arising out of the Company’s voluntary stock option review and related restatement; risks associated with our international expansion and growth; consolidation in the telecommunications industry; and potential costs resulting from pending securities litigation against the company. 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.

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