

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
(Rule 13d-2(a))

INFORMATION TO BE INCLUDED IN STATEMENTS
FILED PURSUANT TO RULE 13d-1(a) AND AMENDMENTS
THERE TO FILED PURSUANT TO RULE 13d-2(a)

SONUS NETWORKS, INC.

(Name of Issuer)

COMMON STOCK, \$0.001 PAR VALUE

(Title of Class of Securities)

835916 10 7

(CUSIP Number)

Andrew J. Nussbaum, Esq.
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

January 18, 2001

(Date of Event which Requires Filing
of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Section 240.13d-1(e), Section 240.13d-1(f) or Section 240.13d-1(g), check the following box: []

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP NO. 835916 10 7

Schedule 13D

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Anousheh Ansari

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) []
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS

00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION
United States

NUMBER OF	7	SOLE VOTING POWER
SHARES		1,365,684
BENEFICIALLY		
OWNED BY	8	SHARED VOTING POWER
EACH		4,526,216
REPORTING		
PERSON	9	SOLE DISPOSITIVE POWER
WITH		1,365,684
	10	SHARED DISPOSITIVE POWER
		4,526,216

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,891,900 shares of Common Stock*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES [X]*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

2.9%*

14 TYPE OF REPORTING PERSON
IN

* Includes 4,526,216 shares of Common Stock beneficially owned by the other Reporting Persons, with respect to which voting and dispositive power is shared, and 1,365,684 shares of Common Stock pledged to the Issuer to guarantee certain obligations under employment agreements between the Issuer and Ms. Ansari and between the Issuer and Hamid Ansari, Ms. Ansari's husband. Does not include (i) 4,244,199 shares of Common Stock held in escrow in the name of the other Reporting Persons pending satisfaction of certain business-related performance milestones and expiration of certain indemnity obligations, over which Ms. Ansari has shared, with the other Reporting Persons, voting power but

generally does not have (and within 60 days of the date of this filing is not expected to have) any dispositive power or other economic rights, (ii) 1,548,340 shares of Common Stock held in escrow in the name of Perseus Partners, Ltd. to fund certain stock options granted to employees of the Issuer, over which Ms. Ansari has shared, with Perseus Partners, Ltd., voting power but generally does not have (and within 60 days of the date of this filing is not expected to have) any dispositive power or other economic rights, and (iii) 550,000 shares of Common Stock issued to Ms. Ansari as a restricted stock award under the Issuer's 2000 Retention Plan, which vest in whole or in part upon satisfaction of both the business-related performance milestones referenced in clause (i) above and Ms. Ansari's continued employment with the Issuer through certain dates, the first of which is October 31, 2002, over which Ms. Ansari has sole voting power but generally does not have (and within 60 days of this filing is not expected to have) any dispositive power or other economic rights. The shares described in clause (i) represent 2.1% of the outstanding Common Stock; the shares described in clause (ii) represent 0.8% of the outstanding Common Stock; and the shares described in clause (iii) represent 0.3% of the outstanding common stock.

1 NAME OF REPORTING PERSON
 S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
 Ansari Enterprises, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
 (a)
 (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
 00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
 PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
 Texas

NUMBER OF	7	SOLE VOTING POWER
SHARES	0	
BENEFICIALLY		
OWNED BY	8	SHARED VOTING POWER
EACH		4,526,216
REPORTING		
PERSON	9	SOLE DISPOSITIVE POWER
WITH		0
	10	SHARED DISPOSITIVE POWER
		4,526,216

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 4,526,216 shares of Common Stock*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
 CERTAIN SHARES *

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 2.2%*

14 TYPE OF REPORTING PERSON
 00

* Includes 4,526,216 shares of Common Stock beneficially owned by the other Reporting Persons, with respect to which voting and dispositive power is shared.

Does not include (i) 4,244,199 shares held in escrow pending satisfaction of certain business-related performance milestones and expiration of certain indemnity obligations, over which Ansari Enterprises, LLC has shared voting power with the other Reporting Persons but generally does not have (and within 60 days of the date of this filing is not expected to have) any dispositive power or other economic rights, and (ii) 1,548,340 shares of Common Stock held in escrow in the name of Perseus Partners, Ltd. to fund certain

stock options granted to employees of the Issuer, over which Ansari Enterprises, LLC has shared, with Perseus Partners, Ltd., voting power but generally does not have (and within 60 days of the date of this filing is not expected to have) any dispositive power or other economic rights. The shares described in clause (i) represent 2.1% of the outstanding Common Stock; and the shares described in clause (ii) represent 0.8% of the outstanding Common Stock.

1 NAME OF REPORTING PERSON
 S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
 Perseus Partners, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
 (a)
 (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
 00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
 TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
 Texas

NUMBER OF	7	SOLE VOTING POWER
SHARES		2,686,216
BENEFICIALLY	-----	
OWNED BY	8	SHARED VOTING POWER
EACH		0
REPORTING	-----	
PERSON	9	SOLE DISPOSITIVE POWER
WITH		2,686,216

	10	SHARED DISPOSITIVE POWER
		0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 2,686,216 shares of Common Stock*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
 CERTAIN SHARES *

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 1.3%*

14 TYPE OF REPORTING PERSON
 PN

* Does not include (i) 3,164,199 shares of Common Stock held in escrow in the name of Perseus Partners, Ltd. pending satisfaction of certain business-related performance milestones and expiration of certain indemnity obligations, over which Perseus Partners, Ltd. has sole voting power but generally does not have (and within 60 days of the date of this filing is not expected to have) any

dispositive power or other economic rights, and (ii) 1,548,340 shares of Common Stock held in escrow in the name Perseus Partners, Ltd. to fund certain stock options granted to employees of the Issuer, over which Perseus Partners, Ltd. has sole voting power but generally does not have (and within 60 days of

the date of this filing is not expected to have) any dispositive power or other economic rights. The shares described in clause (i) represent 1.6% of the outstanding Common Stock; and the shares described in clause (ii) represent 0.8% of the outstanding Common Stock.

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Ansari AA Investments, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Texas

NUMBER OF	7	SOLE VOTING POWER
SHARES		1,387,600
BENEFICIALLY		
OWNED BY	8	SHARED VOTING POWER
EACH		0
REPORTING		
PERSON	9	SOLE DISPOSITIVE POWER
WITH		1,387,600
	10	SHARED DISPOSITIVE POWER
		0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,387,600 shares of Common Stock*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES *

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
0.7%

14 TYPE OF REPORTING PERSON
PN

* Does not include 810,000 shares held in escrow in the name of Ansari AA Investments, Ltd. pending satisfaction of certain business-related performance milestones and expiration of certain indemnity obligations, over which Ansari AA Investments, Ltd. has sole voting power but generally does not have (and within 60 days of the date of this filing is not expected to have) any dispositive power or other economic rights. These shares represent 0.4% of the outstanding

Common Stock.

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Ansari AR Investments, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Texas

NUMBER OF	7	SOLE VOTING POWER
SHARES		271,450
BENEFICIALLY	-----	
OWNED BY	8	SHARED VOTING POWER
EACH		0
REPORTING	-----	
PERSON	9	SOLE DISPOSITIVE POWER
WITH		271,450
	10	SHARED DISPOSITIVE POWER
		0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

271,450 shares of Common Stock*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES *

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.1%

14 TYPE OF REPORTING PERSON

PN

* Does not include 162,000 shares held in escrow in the name of Ansari AR Investments, Ltd. pending satisfaction of certain business-related performance

milestones and expiration of certain indemnity obligations, over which Ansari AR Investments, Ltd. has sole voting power but generally does not have (and within 60 days of the date of this filing is not expected to have) any dispositive power or other economic rights. These shares represent less than 0.1% of the outstanding Common Stock.

1 NAME OF REPORTING PERSON
 S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
 Ansari JA Investments, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
 (a)
 (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
 00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
 ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
 Texas

NUMBER OF	7	SOLE VOTING POWER
SHARES		180,950
BENEFICIALLY		
OWNED BY	8	SHARED VOTING POWER
EACH		0
REPORTING		
PERSON	9	SOLE DISPOSITIVE POWER
WITH		180,950
	10	SHARED DISPOSITIVE POWER
		0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 180,950 shares of Common Stock*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
 CERTAIN SHARES *

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 Less than 0.1%

14 TYPE OF REPORTING PERSON
 PN

* Does not include 108,000 shares of Common Stock held in escrow in ht name of Ansari JA Investments, Ltd. pending satisfaction of certain business-related performance milestones and expiration of certain indemnity obligations, over which Ansari JA Investments, Ltd. has sole voting power but generally does not

have (and within 60 days of the date of this filing is not expected to have) any dispositive power or other economic rights. These shares represent less than 0.1% of the outstanding Common Stock.

STATEMENT ON SCHEDULE 13D

Item 1. Security and Issuer.

This Schedule 13D relates to the common stock, par value \$0.001 ("Common Stock"), of Sonus Networks, Inc. (the "Issuer"). The address of the Issuer's principal executive offices is 5 Carlisle Road, Westford, MA 01886.

Item 2. Identity and Background.

(a) The names, and jurisdictions of organization, if applicable, of the persons filing on this Schedule 13D (collectively, the "Reporting Persons") are:

- (i) Anousheh Ansari, an individual.
- (ii) Ansari Enterprises, LLC, a limited liability company organized under the laws of the state of Texas.
- (iii) Perseus Partners, Ltd., a limited partnership organized under the laws of the state of Texas.
- (iv) Ansari AA Investments, Ltd., a limited partnership organized under the laws of the state of Texas.
- (v) Ansari AR Investments, Ltd., a limited partnership organized under the laws of the state of Texas.
- (vi) Ansari JA Investments, Ltd., a limited partnership organized under the laws of the state of Texas.

(b) The business addresses, or principal offices, of the Reporting Persons are:

- (i) Anousheh Ansari
5950 Sherry Lane, Suite 750
Dallas, TX 75225
- (ii) Ansari Enterprises, LLC
c/o Anousheh Ansari
5950 Sherry Lane, Suite 750
Dallas, TX 75225
- (iii) Perseus Partners, Ltd.
c/o Anousheh Ansari
5950 Sherry Lane, Suite 750
Dallas, TX 75225
- (iv) Ansari AA Investments, Ltd.
5950 Sherry Lane, Suite 750
Dallas, TX 75225
- (v) Ansari AR Investments, Ltd.
c/o Anousheh Ansari
5950 Sherry Lane, Suite 750
Dallas, TX 75225

(vi) Ansari JA Investments, Ltd.
c/o Anousheh Ansari
5950 Sherry Lane, Suite 750
Dallas, TX 75225

(c) The principal occupation of the natural persons, and the principal business of the other persons, that are Reporting Persons are:

(i) Anousheh Ansari is principally employed as Vice President and General Manager of the Issuer.

(ii) Ansari Enterprises, LLC is an entity established by Ms. Ansari for financial and estate planning purposes.

(iii) Perseus Partners, Ltd. is an entity established by Ms. Ansari for financial and estate planning purposes.

(iv) Ansari AA Investments, Ltd. is an entity established by Ms. Ansari for financial and estate planning purposes.

(v) Ansari AR Investments, Ltd. is an entity established by Ms. Ansari for financial and estate planning purposes.

(vi) Ansari JA Investments, Ltd. is an entity established by Ms. Ansari for financial and estate planning purposes.

(d) None of the Reporting Persons has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors).

(e) None of the Reporting Persons has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws or finding any violation with respect to such laws.

(f) The citizenship of each of the Reporting Persons who is an individual is of the United States.

Item 3. Source of Funds.

The Reporting Persons did not purchase any shares of Common Stock. The Reporting Persons acquired shares of Common Stock through the merger of Storm Merger Sub, Inc., a wholly-owned subsidiary of the Issuer, with an into telecom technologies, inc. (the "Target"), a corporation in which the Reporting Persons were shareholders, (the "Merger"), pursuant to the terms of an Agreement and Plan of Merger and Reorganization, dated as of November 2, 2000 (including the related escrow and other agreements, the "Merger Agreement"), by and among the Issuer, the Target and Storm Merger Sub, Inc. The Merger was consummated on January 18, 2001.

Item 4. Purpose of Transaction.

The Reporting Persons hold the shares of Common Stock solely for investment purposes. Except in connection with Ms. Ansari's employment as a Vice President of the Issuer, the Reporting Persons have no present plans or

intentions which would result in any of the matters set forth in items (a) through (j) of Item 4 of Schedule 13D.

Item 5. Interests in Securities of the Issuer.

(a) As of the date hereof, the Reporting Persons beneficially own the following aggregate numbers of shares of Common Stock, representing the following percentages of the shares of Common Stock believed to be outstanding as of January 18, 2001 (as reported by the Issuer in its Quarterly Report on Form 10-Q for the period September 30, 1999 together with an aggregate of 15,000,000 shares of Common Stock issued in the Merger and 3,000,000 shares of Common Stock issued as restricted stock under the Issuer's 2000 Retention Plan):

Anousheh Ansari	5,891,000 shares, representing	2.9%
Ansari Enterprises, LLC	4,526,216 shares, representing	2.2%
Perseus Partners, Ltd.	2,686,216 shares, representing	1.3%
Ansari AA Investments, Ltd.	1,387,600 shares, representing	0.7%
Ansari AR Investments, Ltd.	271,450 shares, representing	0.1%
Ansari JA Investments, Ltd.	180,950 shares, representing	<0.1%

As described in the footnote to Nos. 11 and 12 of each Reporting Person's information set forth at the beginning of this Schedule 13D, the table above does not include a total of 6,342,539 shares of Common Stock which may be deemed to be beneficially owned by the Reporting Persons. Such shares represent an aggregate of 3.2% of the outstanding Common Stock. The Reporting Persons expect that a substantial majority of the 1,548,340 shares (0.8% of the outstanding Common Stock) of Common Stock held in escrow to fund option exercises by other employees of the Issuer will not be received by any of the Reporting Persons and will be returned to the Issuer. The date that any of the business--related performance milestones may be satisfied, if any, which milestones relate to 3,301,044 shares of Common Stock (1.6% of the outstanding Common Stock), is uncertain. The 943,155 shares (0.5% of the outstanding Common Stock) relating to potential indemnification obligations of the Target may or may not be received by the Reporting Persons depending on whether the Issuer asserts, and is successful in, an indemnity claim, which claim generally must be asserted on or prior to December 31, 2002. Whether the Issuer will assert, or be successful in, any such claim is unknown by the Reporting Persons. As noted above, the date on which any of the business-related performance milestones is uncertain, however, if such milestones are fully satisfied, the 550,000 shares of restricted stock(0.3% of the outstanding Common Stock) will vest ratably on October 31, 2002, November 30, 2002, January 31, 2003 and February 28, 2003, provided Ms. Ansari remains continuously employed by the Issuer through such dates or is terminated without cause.

Under the terms of the Merger Agreement, 4,244,199 of the shares of Common Stock described in the immediately preceding paragraph are held in escrow by an escrow agent pending resolution of the related conditions to the release of the shares to the Reporting Persons, or the return of such shares to the Issuer, as the case may be. In the interim, the Reporting Persons have voting power, but generally have no other right or power, including dispositive power, with respect to the escrowed shares. Under the terms of the Issuer's 2000 Retention Plan, Ms. Ansari has voting power over the 550,000 shares of Common Stock granted to her under such plan as a restricted stock award. However, Ms. Ansari does not have any

other right or power, including dispositive power, with respect to the restricted shares, and will not have any such right or power until such restricted shares vest as described in the immediately preceding paragraph.

- (b) As of the date hereof, the Reporting Persons had sole power to vote, shared power to vote, sole power to dispose and shared power to dispose of the following shares of Common Stock, and shared such power with the persons set forth below:

Anousheh Ansari:

Sole voting power	1,365,684*
Shared voting power	4,526,216**
Sole dispositive power	1,365,684*
Shared dispositive power	4,526,216**

* Includes 1,365,684 shares of Common Stock pledged to the Issuer to guarantee certain obligations under employment agreements between the Issuer and Ms. Ansari and between the Issuer and Mr. Ansari.

** Includes (i) 2,686,216 shares of Common Stock with respect to which voting power is shared with Perseus Partners, L.P., (ii) 1,387,600 shares of Common Stock with respect to which voting power is shared with Ansari AA Investments, Ltd., (iii) 271,450 shares of Common Stock with respect to which voting power is shared with Ansari AR Investments, Ltd. and (iv) 180,950 shares of Common Stock with respect to which voting power is shared with Ansari JA Investments, Ltd. Does not include (w) 3,164,199 shares of Common Stock held in escrow in the name of Perseus Partners, Ltd., (x) 810,000 shares of Common Stock held in escrow in the name of Ansari AA Investments, Ltd., (y) 162,000 shares of Common Stock held in escrow in the name of Ansari AR Investments, Ltd., (z) 108,000 shares of Common Stock held in escrow in the name of Ansari JA Investments, Ltd., in each case as described below and under Item 5(a).

Ansari Enterprises, LLC:

Sole voting power	0
Shared voting power	4,526,216*
Sole dispositive power	0
Shared dispositive power	4,526,216*

* Includes (i) 2,686,216 shares of Common Stock with respect to which voting power is shared with Perseus Partners, L.P., (ii) 1,387,600 shares of Common Stock with respect to which voting power is shared with Ansari AA Investments, Ltd., (iii) 271,450 shares of Common Stock with respect to which voting power is shared with Ansari AR Investments, Ltd. and (iii) 180,950 shares of Common Stock with respect to which voting power is shared with Ansari JA Investments, Ltd. Does not include (w) 3,164,199 shares of Common Stock held in escrow in the name of Perseus Partners, Ltd., (x) 810,000 shares of Common Stock held in escrow in the name of Ansari AA Investments, Ltd., (y) 162,000 shares of Common Stock held in escrow in the name of Ansari AR Investments, Ltd., (z) 108,000 shares of Common Stock held in escrow in the name of Ansari JA Investments, Ltd., in each case as described below and under Item 5(a).

Perseus Partners, Ltd.:

Sole voting power	2,686,216*
Shared voting power	0
Sole dispositive power	2,686,216*
Shared dispositive power	0

* Does not include 3,164,199 shares held in escrow pending satisfaction of certain business-related performance milestones and expiration of certain indemnity obligations, over which Perseus Partners, Ltd. has sole voting power but generally does not have (and within 60 days from the date of this filing is not expected to have) any dispositive power or other economic rights.

Ansari AA Investments, Ltd.:

Sole voting power	1,387,600*
Shared voting power	0
Sole dispositive power	1,387,600*
Shared dispositive power	0

* Does not include 810,000 shares held in escrow pending satisfaction of certain business-related performance milestones and expiration of certain indemnity obligations, over which Ansari AA Investments, Ltd. has sole voting power but generally does not have (and within 60 days from the date of this filing is not expected to have) any dispositive power or other economic rights.

Ansari AR Investments, Ltd.:

Sole voting power	271,450*
Shared voting power	0
Sole dispositive power	271,450*
Shared dispositive power	0

* Does not include 162,000 shares held in escrow pending satisfaction of certain business-related performance milestones and expiration of certain indemnity obligations, over which Ansari AR Investments, Ltd. has sole voting power but generally does not have (and within 60 days from the date of this filing is not expected to have) any dispositive power or other economic rights.

Ansari JA Investments, Ltd.:

Sole voting power	180,950*
Shared voting power	0
Sole dispositive power	180,950*
Shared dispositive power	0

* Does not include 108,000 shares held in escrow pending satisfaction of certain business-related performance milestones and expiration of certain indemnity obligations, over which Ansari AA Investments, Ltd. has sole voting power but generally does not have (and within 60 days from the date of this filing is not expected to have) any dispositive power or other economic rights.

Except for shares of Common Stock that each of the Reporting Persons beneficially owns directly, each of the Reporting Persons disclaims beneficial ownership of the Common Stock described herein and this Schedule 13D shall not be construed as an admission that such Reporting Person is the beneficial owner of such shares of Common Stock.

(c) During the past 60 days, the Reporting Persons have engaged in the following transactions involving the Common Stock. Such transactions were effected in the open market for the Common Stock.

Date	Reporting Person	Shares Sold	Net Proceeds
----	-----	-----	-----
1/30/01	Anousheh Ansari	25,000	\$1,079,714
3/6/01	Ansari AA Investments, Ltd.	52,400	\$1,572,089
3/6/01	Ansari AR Investments, Ltd.	16,550	\$496,528
3/6/01	Ansari JA Investments, Ltd.	11,050	\$331,519

In addition, on March 22, 2001, Anousheh Ansari transferred (i) 2,686,216 shares of Common Stock from her individual account to the account of Perseus Partners, Ltd., and (ii) 1,548,340 shares of Common Stock held in escrow to fund option exercises by other employees of the Issuer to Perseus Partners, Ltd.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Pursuant to the terms of employment agreements between the Issuer and Ms. Ansari and between the Issuer and Mr. Ansari, Ms. Ansari has pledged an aggregate of 1,365,684 shares of Common Stock to the Issuer to secure certain obligations under those employment agreements pursuant to the terms of a pledge agreement, a copy of which is filed as Exhibit 99.2 hereto. Ms. Ansari is a Vice President of the Issuer and General Manager of the INTelligentIP(TM) division of the Issuer and is employed by the Issuer as of the date hereof in such

capacity. Mr. Ansari is a Vice President of the Issuer and is employed by the Issuer as of the date hereof in such capacity. Filed as Exhibits 99.3 and 99.4 hereto are the escrow agreements relating to the shares described in Item 5 above, and filed as Exhibits 99.5 and 99.6 hereto are the Issuer's 2000 Retention Plan, and Ms. Ansari's award agreement thereunder, relating to the restricted shares described in Item 5 above. In addition, Ms. Ansari is a party to a registration rights agreement with the Issuer, a copy of which is filed as Exhibit 99.7 hereto, which provides her with certain registration rights with respect to her shares of Common Stock. Except as set forth in this Item 6, and for such contracts and agreements which are filed as exhibits hereto, the Reporting Persons have no contracts, arrangements, understandings or relationships with respect to any securities of the Issuer.

Item 7. Material to be Filed as Exhibits.

- Exhibit 99.1 Joint Filing Agreement
- Exhibit 99.2 Pledge Agreement, dated as of January 18, 2001, by and between Anousheh Ansari, Hamid Ansari and the Issuer
- Exhibit 99.3 Escrow Agreement, dated as of January 18, 2001, by and among the Issuer, The Chase Manhattan Bank, as escrow agent, and Anousheh Ansari and John C. Phelan, as stockholder representatives
- Exhibit 99.4 Option Plan Funding and Escrow Agreement, dated as of January 18, 2001, by and among the Issuer, The Chase Manhattan Bank, as escrow agent, and Anousheh and Hamid Ansari
- Exhibit 99.5 Sonus Networks, Inc. 2000 Retention Plan (incorporated by reference to Exhibit 10.2 to the Issuer's Registration Statement on Form S-4, filed December 22, 2000)
- Exhibit 99.6 Form of Award Agreement, under Sonus Networks, Inc. 2000 Retention Plan
- Exhibit 99.7 Registration Rights Agreement, dated as of January 18, 2001, by and among the Issuer and the Stockholder parties thereto (incorporated by reference to Exhibit 10.2 to the Issuer's Registration Statement of Form S-4, filed December 22, 2000)

SIGNATURES

After reasonable inquiry and to the best knowledge and belief of the undersigned, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: March 26, 2001

/s/ Anousheh Ansari

ANOUSHEH ANSARI

ANSARI ENTERPRISES, LLC,

By: /s/ Anousheh Ansari

Name: Anousheh Ansari
Title: Manager

PERSEUS PARTNERS, LTD.,

By: Ansari Enterprises, LLC,
its General Partner

By: /s/ Anousheh Ansari

Name: Anousheh Ansari
Title: Manager

ANSARI AA INVESTMENTS, LTD.,

By: Ansari Enterprises, LLC,
its General Partner

By: /s/ Anousheh Ansari

Name: Anousheh Ansari
Title: Manager

ANSARI AR INVESTMENTS, LTD.,

By: Ansari Enterprises, LLC,
its General Partner

By: /s/ Anousheh Ansari

Name: Anousheh Ansari
Title: Manager

ANSARI JA INVESTMENTS, LTD.,

By: Ansari Enterprises, LLC,
its General Partner

By: /s/ Anousheh Ansari

Name: Anousheh Ansari
Title: Manager

JOINT FILING AGREEMENT

Pursuant to Rule 13d-1(k) promulgated under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree to the joint filing of this Statement on Schedule 13D including any amendments thereto. This Joint Filing Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

Date: March 26, 2001

/s/ Anousheh Ansari

ANOUSHEH ANSARI

ANSARI ENTERPRISES, LLC,

By: /s/ Anousheh Ansari

Name: Anousheh Ansari
Title: Manager

PERSEUS PARTNERS, LTD.,

By: Ansari Enterprises, LLC,
its General Partner

By: /s/ Anousheh Ansari

Name: Anousheh Ansari
Title: Manager

ANSARI AA INVESTMENTS, LTD.,

By: Ansari Enterprises, LLC,
its General Partner

By: /s/ Anousheh Ansari

Name: Anousheh Ansari
Title: Manager

ANSARI AR INVESTMENTS, LTD.,

By: Ansari Enterprises, LLC,
its General Partner

By: /s/ Anousheh Ansari

Name: Anousheh Ansari
Title: Manager

ANSARI JA INVESTMENTS, LTD.,

By: Ansari Enterprises, LLC,
its General Partner

By: /s/ Anousheh Ansari

Name: Anousheh Ansari
Title: Manager

PLEDGE AGREEMENT

PLEDGE AGREEMENT, dated as of January 18, 2001 (this "Agreement"), by and between Sonus Networks, Inc., a Delaware corporation (the "Parent"), and Anousheh Ansari (the "Pledgor").

RECITALS

A. Employment Agreements. The Parent, telecom technologies, inc. (the "Company") and the Pledgor have entered into an Employment Agreement dated as of the date hereof (the "AA Employment Agreement") (capitalized terms used herein and not otherwise defined having the same meanings ascribed to them in the AA Employment Agreement). In addition, the Parent, the Company and Hamid Ansari have entered into an Employment Agreement, dated as of the date hereof (the "HA Employment Agreement," and together with the AA Employment Agreement, the "Employment Agreements").

B. The Pledge. Pursuant to Section 9 of the Employment Agreements, the Pledgor has agreed to secure certain contingent payment obligations that the Pledgor and Hamid Ansari may have to the Parent (the "Damages") by pledging to the Parent 1,365,684 shares (the "Pledged Shares") of common stock, \$0.001 par value per share, of the Parent (the "Common Stock"), with the number of Pledged Shares to be reduced as set forth herein, which number of shares has been agreed by the Pledgor and the Company to represent on the date hereof, notwithstanding anything to the contrary contained herein, the number of shares of Common Stock with a "Fair Market Value" equal to \$35,000,000 as called for on Exhibit C to the Employment Agreements. In no event shall the Damages payable under the Employment Agreements, either individually or together, be greater than the lesser of \$35 million or the Adjusted Damages Amount (as defined in Section 5) in the aggregate.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Effectiveness. This Agreement shall become effective immediately upon the "Effective Time" (the "Effective Time") of the merger contemplated by the Agreement and Plan of Merger and Reorganization, dated as of the date hereof, among the Company, the Parent and, Storm Merger Sub, Inc., a wholly-owned subsidiary of the Parent.

2. Pledge. (a) As collateral security for the full and timely payment of the principal of the Damages, the Pledgor hereby delivers, deposits, pledges, transfers and assigns to the Company, in form transferable for delivery, and Creates in the Parent a security interest in all the Pledged Shares and all certificates or other instruments or documents evidencing the same now owned by the Pledgor, and, except as set forth in Section 3(a) hereof, all proceeds thereof (collectively worth any securities or property to be delivered to the Pledgor pursuant to Section 3(b) hereof, and any Substitute Collateral delivered pursuant to Section 5 below, the "Pledged Securities").

(b) Prior to the Effective Time, the Pledgor shall deliver to the Parent appropriate undated security transfer powers duly executed in blank for the Pledged Securities set forth above and will deliver appropriate undated security transfer powers duly executed in blank for the Pledged Securities to be pledged hereunder from time to time hereafter.

(c) At the end of each Period (as defined in the AA Employment Agreement), Pledged Securities shall be returned to the Pledgor to the extent the Fair Market Value of the Pledged Securities on the last day of the Period exceeds the Adjusted Damages Amount.

3. Administration of Security. The following provisions shall govern the administration of the Pledged Securities:

(a) So long as no Event of Default has occurred and is continuing (as used herein, an "Event of Default" shall mean the Pledgor or Hamid Ansari becoming obligated to make a cash payment to the Parent under Section 9(a) of the respective Employment Agreements and filing to make such cash payment when the same shall be due) the Pledgor shall be entitled to vote the Pledged Securities and to receive and retain all cash and, except as set forth in Section 3(b)

below, other distributions thereon and to give consents, waivers and ratifications in respect thereof.

(b) If, while this Agreement is in effect, the Pledgor shall become entitled to receive or shall receive any certificate representing Common Stock in respect of any stock split, reverse stock split, stock dividend or any distribution in connection with any reclassification, increase or reduction of capital, in each case, with respect to the Pledged Securities, the Pledgor agrees to accept the same as the Parent's agent and to hold the same in trust on behalf of and for the benefit of the Parent and to deliver the same forthwith to the Parent in the exact form received, with the endorsement of the Pledgor when necessary and/or appropriate undated security transfer powers duly executed in blank, to be held by the Parent, subject to the terms of this Agreement, as additional collateral security for the Damages.

(c) The Pledgor shall immediately upon request by the Parent and in confirmation of the security interests hereby created, execute and deliver to the Parent such further instruments, deeds, transfers, assurances and agreements, in such form and substance as the Parent shall reasonably request, including any financing statements and amendments thereto, or any other documents, required under Delaware or Texas law and any other applicable law to protect the security interests created hereunder.

(d) Subject to any sale by the Parent or other disposition by the Parent of the Pledged Securities pursuant to this Agreement, upon the earliest to occur of (A) the death or Disability of the Pledgor, (B) the termination of the Pledgor's employment (x) by the Parent other than for Cause or (y) by the Pledgor for Good Reason, (C) a Change in Control (as defined in the Contingency Escrow Agreement), (D) January 1, 2003, and (E) payment in cash or other satisfaction by the Pledgor of the maximum amount of Damages that could be due pursuant to Section 9(a) of the Employment Agreements, all remaining Pledged Securities shall be returned promptly to the Pledgor and this Agreement shall terminate, provided, that the Parent shall not be required to return any Pledged Securities to the Pledgor to the extent that such Pledged Securities

are the subject of a claim by the Parent under Section 9 of either of the Employment Agreements under this Pledge Agreement.

(e) The Parent shall immediately upon request by the Pledgor execute and deliver to the Pledgor such instruments, deeds, transfers, assurances and agreements, in form and substance as the Pledgor shall reasonably request, including the withdrawal or termination of any financing statements and amendments thereto, or any filing, withdrawal, termination or amendment of any other documents, required under Delaware or Texas law and any other applicable law to evidence the termination of the security interest created hereunder and the transfer of possession to the Pledgor with respect to any securities that are required to be returned to the Pledgor in accordance with Section 3(d) hereof

4. Remedies in Case of an Event of Default. (a) If an Event of Default has occurred and is continuing, the Parent may take ownership (without payment of any consideration) of such number of Pledged Securities as are necessary (based upon the Fair Market Value thereof) to satisfy the unpaid portion of Damages due and payable under Section 9(a) of either of the Employment Agreements by giving written notice to the Pledgor (the "Enforcement Notice"). Effective upon the giving of the Enforcement Notice, and without further action on the part of the parties to this Agreement, the Parent shall be deemed to have taken ownership of such Pledged Securities, and to have disposed of such Pledged Securities for proceeds having a value equal to the Fair Market Value (as defined below) of such Pledged Securities as of such date. The Parent shall be deemed to have applied such proceeds to the payment of any unpaid Damages. Any excess net proceeds from the deemed sale of such Pledged Securities shall be for the Pledgor's account and shall be paid over to the Pledgor in cash no later than three days after the giving of the Enforcement Notice.

(b) The "Fair Market Value" of the Pledged Securities as of any date for purposes of this Agreement means the product of (i) the number of shares of Pledged Securities on such date multiplied by (ii) the average of the daily closing prices for a share of Common Stock for the five (5) trading days up to and including the day that is two (2) trading days prior to the applicable date (the "Average Closing Price"). The closing price for each day will be the last reported sale price regular way or, in case no such reported sale takes place on such day, the average of the reported closing bid and asked prices regular way, in either case as reported on NASDAQ, or, if the Common Stock is not listed or admitted to trading on NASDAQ at such time, on the principal securities exchange on which the Common Stock is listed or admitted to trading, as officially reported by such exchange, or, if the Common Stock is not listed or admitted to trading on any securities exchange, the average of the closing bid and asked prices as furnished by any NASDAQ firm as agreed to from time to time by the Parent and the Pledgor for that purpose.

(c) Section 4(a) sets forth the exclusive remedies of the Parent in respect of the Pledged Securities (but not with respect to an Event of Default in the event the Fair Market Value of the Pledged Securities is less than the Adjusted Damages Amount). The Parent hereby waives (to the extent that such remedy arises solely by virtue of the security interest granted hereunder) any and all other remedies in respect of the collateral that are or may be available to it

as a secured party under the Delaware Uniform Commercial Code. Neither failure nor delay on the part of the Parent to exercise any right, remedy, power or privilege provided for in this Section 4 shall operate as a waiver thereof.

5. Substitute Collateral. The Pledgor may substitute, in whole or in part, for the Pledged Securities any cash collateral (including a letter of credit) of equal or greater value than the then current contingent Damages, as adjusted from time to time under Section 9(a) of the respective Employment Agreements ("Adjusted Damages Amount") (the "Substitute Collateral"). From and after any such substitution, the Pledged Securities shall be released from this Agreement and the provisions of this Agreement shall apply to the Substitute Collateral to the same extent that such provisions would have applied to the Pledged Securities. Notwithstanding the foregoing, in no event shall Pledgor be entitled to substitute any Substitute Collateral to the extent that, after such substitution, the value of all of the Pledged Securities (including and Substitute Collateral), with any Common Stock being valued at the Fair Market Value of such Common Stock on the date of substitution, is not equal to the lesser of Thirty-Five Million Dollars (\$35,000,000) or the Adjusted Damages Amount as of the date of such substitution.

6. Pledgor's Obligations Not Affected. The obligations of the Pledgor under this Agreement shall remain in full force and effect without regard to, and shall not be impaired or affected by (a) any subordination, amendment or modification of or addition or supplement to the Employment Agreements or any assignment or transfer of any thereof; (b) any exercise or non-exercise by the Parent of any right, remedy, power or privilege under or in respect of this Agreement, the Employment Agreements or any waiver of any such right, remedy, power or privilege; (c) any waiver, consent, extension, indulgence or other action or inaction in respect of this Agreement, the Employment Agreements or any assignment or transfer of any thereof; (d) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like, of the Parent, whether or not the Pledgor shall have notice or knowledge of any of the foregoing; (e) any substitution of collateral pursuant to Section 5 above; or (f) any other act or omission to act or delay of any kind by the Pledgor, the Parent or any other person or any other circumstance whatsoever which might, but for the provisions of this clause (f), constitute a legal and equitable discharge of the Pledgor's obligations hereunder.

7. Termination. Upon the earliest to occur of the events set forth in Section 3(d) hereof, this Agreement shall terminate and the Parent shall return to the Pledgor the remaining Pledged Securities as provided in such Section.

8. Notices. All notices or other communications required or permitted to be given hereunder shall be delivered as provided in the AA Employment Agreement.

9. Binding Effect, Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and nothing herein is intended or shall be construed to give any other person any right, remedy or claim under, to or in respect of this Agreement. No transfer, sale, pledge, hypothecation or other

disposition of Pledged Securities by the Pledgor shall be permitted hereunder, and any such transfer shall be null and void.

10. Miscellaneous. The Parent and its assigns shall have no obligation in respect of the Pledged Securities, except to hold and dispose of the same in accordance with the terms of this Agreement. Neither this Agreement nor any provision hereof may be amended, modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the amendment, modification, waiver, discharge or termination is sought. The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State. This Agreement may be executed simultaneously in several counterparts each of which is an original, but all of which together shall constitute one instrument.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered on the date first above written.

SONUS NETWORKS, INC.

By: /s/ Hassan Ahmed

Name:

Title:

/s/ Anousheh Ansari

ANOUSHEH ANSARI

ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Escrow Agreement"), dated as of January 18, 2001, (the "Closing Date"), is among SONUS NETWORKS, INC., a Delaware corporation (the "Parent"), and ANOUSHEH ANSARI and JOHN PHELAN, in their respective capacity as representatives of the holders of shares of Company Common Stock under Section 8 of this Escrow Agreement and pursuant to the Merger Agreement (as defined below) (in such capacity, collectively, the "Stockholder Representatives"), and THE CHASE MANHATTAN BANK, a New York State Bank, as escrow agent (in such capacity, the "Escrow Agent"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Merger Agreement. The Escrow Agent (i) has not received a copy of, (ii) has not reviewed, (iii) is not a party to, and (iv) will not be held responsible under the terms of the Merger Agreement.

WHEREAS, the Parent, STORM MERGER SUB, INC., a Texas corporation and wholly owned subsidiary of the Parent ("Merger Sub"), and TELECOM TECHNOLOGIES, INC., a Texas corporation (the "Company"), have entered into an Agreement and Plan of Merger and Reorganization, dated as of November 2, 2000 (the "Merger Agreement"), pursuant to which Merger Sub shall be merged with and into the Company (the "Merger"), with the Company being the surviving corporation, and all of the outstanding shares of Class A common stock, no par value, and Class B common stock, no par value, of the Company (collectively, the "Company Common Stock"), will be exchanged into the right to receive shares of the common stock of the Parent, par value \$0.001 per share (the "Parent Common Stock");

WHEREAS, pursuant to the Merger Agreement, the Parent shall deposit in escrow with the Escrow Agent an aggregate of 5,400,000 of the shares of Parent Common Stock that would be issuable to the Company Stockholders in the Merger, if shares of Parent Common Stock were not to be issued into escrow pursuant to the Merger Agreement, to be held and distributed by the Escrow Agent on the terms and conditions set forth herein; and

WHEREAS, certain of the shares of Parent Common Stock that would be distributable to Anousheh Ansari and Hamid Ansari in their capacities as stockholders of the Company (together, the "Principal Stockholders") from the escrow established hereby will be distributed instead into a separate Option Plan Funding and Escrow Agreement, dated as of the date hereof, among the Parent, the Principal Stockholders and the Escrow Agent (the "Option Escrow Agreement"), to fund the exercise of certain options granted by the Company prior to the Closing.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth in this Escrow Agreement, the parties hereto hereby agree as follows:

1. DEPOSIT OF ESCROWED SHARES. On the Closing Date, the Parent shall deposit with the Escrow Agent stock certificates representing 5,400,000 shares of Parent Common Stock, as escrow agent under this Escrow Agreement, that would otherwise be issuable to the Company Stockholders on the Closing Date if shares of Parent Common Stock were not to

be issued into escrow pursuant to the Merger Agreement (the "Escrowed Shares"), together with stock powers duly executed in blank by each Company Stockholder. An aggregate of 1,200,000 of such shares of Parent Common Stock shall be held as security for the indemnification obligations of the Company arising under Section 14 of the Merger Agreement (the "Indemnity Shares"), and an aggregate of 4,200,000 of such shares of Parent Common Stock shall be held for contingent issuance to all of the Company Stockholders upon satisfaction of certain conditions set forth herein (the "Earn-Out Shares"), or release to the Parent, in the event that such conditions are not satisfied. Attached as Exhibit A hereto (as the same may be amended from time to time, the "Ownership Table") is a schedule of the respective interests of each Company Stockholder in the Escrowed Shares, together with the addresses of record of such Company Stockholders. The Escrow Agent (i) shall establish on its books an account (the "Escrow Account") in which the Escrow Agent shall note the number of shares of Parent Common Stock or other property from time to time held by the Escrow Agent pursuant hereto, and the Company Stockholders to whom such Escrowed Shares and other property, if any, is attributable and (ii) shall update the Ownership Table accordingly.

2. RELEASE OF ESCROWED SHARES AND OTHER PROPERTY.

(a) (i) Upon satisfaction of either of the two conditions set forth on Schedule 2(a)(i) attached hereto, the Stockholder Representatives shall be entitled to deliver written notice to the Escrow Agent, with a copy to the Parent (the "First Release Notice"), indicating whether, in the exercise of their reasonable judgment, they believe such condition has been satisfied, and setting forth a description in reasonable detail of the facts and circumstances that evidence such satisfaction. The Escrow Agent shall be entitled to rely on the facts set forth in the First Release Notice and shall not be responsible for independently determining or confirming whether such conditions have been met. The First Release Notice shall also contain a demand for release to the Company Stockholders in the respective amounts set forth therein of an aggregate of 1,800,000 of the Earn-Out Shares (the "First Release Shares"). If the Escrow Agent does not receive prior to 5:00 p.m., Houston, Texas time, on the twentieth (20th) day after receipt by the Escrow Agent of a copy of the First Release Notice, a notice from the Parent, with a copy to the Stockholder Representatives (a "First Release Challenge Notice"), challenging whether the conditions set forth on Schedule 2(a)(i) have been satisfied, on the twenty-first (21st) day after receipt of the First Release Notice, the Escrow Agent shall release from escrow such First Release Shares and deliver, subject to the last sentence of this Section 2(a)(i), to those Company Stockholders (at their respective addresses of record set forth on the Ownership Table) to whom such First Release Shares are attributable their respective shares of such First Release Shares as set forth in the First Release Notice. In the event that the Escrow Agent is in receipt of a First Release Challenge Notice prior to 5:00 p.m., Houston, Texas time, the twentieth (20th) day after receipt of a First Release Notice, the Escrow Agent shall not release from escrow any of the First Release Shares and shall keep such First Release Shares in escrow until it shall have received either (i) non-conflicting written instructions from the Stockholder Representatives and the Parent, or (ii) a final order of an arbitrator or court having jurisdiction over the matter and directing disposition of such First Release Shares. If the Escrow Agent is not in receipt of a First Release Notice prior to 5:00 p.m., Houston, Texas time, on January 15, 2002, then the Escrow Agent on January 16, 2002 shall distribute all of the First Release Shares to the Parent. Notwithstanding the foregoing, in the event that on or prior to 5:00 p.m., Houston, Texas time, on the twentieth (20th) day after receipt of the First Release Notice the Escrow Agent receives

written notice (a "Deposit Notice") from the Parent that it has determined that a number of First Release Shares that would otherwise be distributable to the Principal Stockholders under this Section 2(a)(i) are required to be placed into the escrow of Parent Common Stock established under the Option Escrow Agreement (the "Option Escrow") to maintain the "Minimum Escrow Number" therein, then such number of Escrowed Shares set forth in such Deposit Notice that would otherwise be distributable to the Principal Stockholders shall not be distributed to the Principal Stockholders on such twenty-first (21st) day after receipt of the First Release Notice, but shall instead be released into the Option Escrow to be held and be released in accordance with the terms thereof.

(ii) The conditions set forth on Schedule 2(a)(i) hereto shall be subject to amendment upon the mutual agreement of the Stockholder Representatives and the Parent.

(iii) Upon satisfaction of any of the three conditions set forth on Schedule 2(a)(iii) attached hereto in whole or in part, the Stockholder Representatives shall be entitled to deliver notice to the Escrow Agent, with a copy to the Parent (each a "Second Release Notice"), indicating whether, in the exercise of their reasonable judgment, they believe that such condition has been satisfied and, in the event such conditions have been satisfied in a manner such that less than all of the Second Release Shares referred to below shall be distributed to the Company Stockholders (as described on such Schedule 2(a)(iii)), a description in reasonable detail setting forth the facts and circumstances that evidence such partial satisfaction. The Escrow Agent shall be entitled to rely on the facts set forth in each Second Release Notice and shall not be responsible for independently determining or confirming whether such conditions have been met in whole or in part. Each Second Release Notice shall also contain a demand for release to the Company Stockholders in the respective amounts set forth therein of some or all of the 300,000 Earn-Out Shares attributed to each such condition (up to an aggregate of 900,000 shares (such 900,000 shares, the "Second Release Shares")) to which such Second Release Notice is applicable, in accordance with the terms of such Schedule 2(a)(iii), which schedule shall specify how such shares shall be distributed upon satisfaction of any condition set forth thereon in part. If the Escrow Agent does not receive prior to 5:00 p.m., Houston, Texas time, on the twentieth (20th) day after receipt by the Escrow Agent of a copy of any Second Release Notice, a notice from the Parent, with a copy to the Stockholder Representatives (any such notice, a "Second Release Challenge Notice"), challenging whether the applicable conditions on Schedule 2(a)(iii) have been satisfied or the amount of Second Release Shares to be distributed to the Company Stockholders pursuant thereto, on the twenty-first (21st) day after receipt of such Second Release Notice the Escrow Agent shall release from escrow such Second Release Shares referenced in the Second Release Notice and deliver (i) subject to the last sentence of this Section 2(a)(iii), to those Company Stockholders (at their respective addresses of record set forth on the Ownership Table) to whom such Second Release Shares are attributable their respective shares of the Second Release Shares to be released to the Company Stockholders as set forth in the Second Release Notice, and (ii) to the Parent, any of the remaining 300,000 Earn-Out Shares related to the condition or conditions to which such Second Release Notice relates. In the event that the Escrow Agent is in receipt of a Second Release Challenge Notice prior to 5:00 p.m., Houston, Texas time, on the twentieth (20th) day after receipt of a Second Release Notice, the Escrow Agent shall not release from escrow any Second Release Shares claimed to be eligible for release on such notice and shall keep such Second Release Shares in escrow until it shall have received either (i) non-conflicting written instructions from the Stockholder Representatives and the

Parent, or (ii) a final order of an arbitrator or court having jurisdiction over the matter and directing disposition of such Second Release Shares. In the event that, prior to 5:00 p.m., Houston, Texas time, on July 15, 2002, there are any Second Release Shares that are not the subject of a Second Release Notice and remain in the Escrow Account, such Second Release Shares shall be distributed to the Parent on July 16, 2002. Notwithstanding the foregoing, (i) in the event that on or prior to 5:00 p.m., Houston, Texas time, on the twentieth (20th) day after receipt of any Second Release Notice, the Escrow Agent receives a Deposit Notice from the Parent that it has determined that a number of Second Release Shares that would otherwise be distributable to such Principal Stockholders under this Section 2(a)(iii) are required to be placed into the Option Escrow to maintain the "Minimum Escrow Number" thereunder, then such number of Escrowed Shares set forth in such Deposit Notice that would otherwise be distributable to the Principal Stockholders shall not be distributed to the Principal Stockholders on such twenty-first (21st) day after receipt of the Second Release Notice but shall instead be released into the Option Escrow to be held and released in accordance with the terms thereof, and (ii) in no event shall more than 900,000 Earn-Out Shares be distributed to all parties pursuant to this Section 2(a)(iii).

(iv) If the Stockholder Representatives, acting on behalf of the Company Stockholders, believe that the Company may have difficulty achieving timely compliance with the conditions set forth on Schedule 2(a)(iii), or has failed to achieve such conditions, then, upon the request of the Stockholder Representatives, the Stockholder Representatives and the Parent shall discuss in good faith (with no obligation on any party to agree to any modification of the otherwise stated terms of such Schedule 2(a)(iii)), the possibility of a mutually agreed upon modification to such conditions where such modification would benefit all such parties. In the event that, after such discussions, there is not mutual written agreement on a modification of such conditions, the conditions set forth on Schedule 2(a)(iii) shall remain in full force and effect in accordance with their stated terms.

(v) Upon initial satisfaction of any of the three conditions set forth on Schedule 2(a)(v) attached hereto, and from time to time thereafter upon satisfaction of any additional portion of such condition as then yet unsatisfied, but no more frequently than once per fiscal quarter of the Parent, the Stockholder Representatives shall be entitled to deliver notice to the Escrow Agent, with a copy to the Parent (each, a "Third Release Notice"), indicating whether, in the exercise of their reasonable judgment, they believe that such condition has been satisfied in whole or in part and setting forth a description in reasonable detail of the facts and circumstances that evidence such satisfaction. Each Third Release Notice shall also contain a demand for release to the Company Stockholders in the respective amounts set forth therein of some or all of the 1,500,000 Earn-Out Shares attributed to such conditions (the "Third Release Shares") in accordance with the terms of such Schedule 2(a)(v). If the Escrow Agent does not receive prior to 5:00 p.m., Houston, Texas time, on the twentieth (20th) day after receipt by the Escrow Agent of a copy of any Third Release Notice, a notice from the Parent, with a copy to the Stockholder Representatives (any such notice, a "Third Release Challenge Notice"), challenging whether the applicable conditions on Schedule 2(a)(v) have been satisfied or the amount of Third Release Shares to be distributed to the Company Stockholders pursuant thereto, on the twenty-first (21st) day after receipt of such Third Release Notice the Escrow Agent shall release from escrow such shares and deliver, subject to the last sentence of this Section 2(a)(v), to those Company Stockholders (at their respective addresses of record set forth on the Ownership Table)

to whom such Third Release Shares are attributable their respective shares of the Third Release Shares to be released to the Company Stockholders as set forth in the Third Release Notice and Schedule 2(a)(v). In the event that the Escrow Agent is in receipt of a Third Release Challenge Notice prior to 5:00 p.m., Houston, Texas time, on the twentieth (20th) day after receipt of a Third Release Notice, the Escrow Agent shall not release from escrow any of the Third Release Shares described in the Third Release Notice and shall keep such Third Release Shares in escrow until it shall have received either (i) non-conflicting written instructions from the Stockholder Representative and the Parent, or (ii) a final order of an arbitrator or court having jurisdiction over the matter and directing disposition of such Third Release Shares. In the event that, prior to 5:00 p.m., Houston, Texas time, on January 15, 2003, there are any Third Release Shares that are not the subject of a Third Release Notice and remain in the Escrow Account, such Third Release Shares shall be distributed to the Parent on January 16, 2003. Notwithstanding the foregoing, (i) in the event that, on or prior to 5:00 p.m., Houston, Texas time, on the twentieth (20th) day after receipt of any Third Release Notice, the Escrow Agent receives a Deposit Notice from Parent that it has determined that a number of Earn-Out Shares that would otherwise be distributable to such Principal Stockholders under this Section 2(a)(v) are required to be placed into the Option Escrow to maintain the "Minimum Escrow Number" thereunder, then such number of Escrowed Shares set forth in such Deposit Notice that would otherwise be distributable to the Principal Stockholders shall not be distributed to the Principal Stockholders on such twenty-first (21st) day after receipt of the Third Release Notice but shall instead be released into the Option Escrow to be held and released in accordance with the terms thereof, and (ii) in no event shall more than 1,500,000 Earn-Out Shares be distributed to all parties pursuant to this Section 2(a)(v).

(b) From time to time prior to 5:00 p.m., Houston, Texas time, on January 19, 2002, the Parent may deliver to the Escrow Agent and the Stockholder Representatives a written notice (an "Indemnification Notice") requesting distribution to the Parent of up to an aggregate of 1,200,000 Indemnity Shares having an aggregate Average Market Price on the date of release to Parent equal to the amount of the Losses (as defined in the Merger Agreement) specified in such notice for which the Parent is seeking indemnification under the Merger Agreement (the "Indemnification Claim"), along with a delivery receipt or other appropriate proof of delivery to the Stockholder Representatives of a copy of such Indemnification Notice. Such Indemnification Notice shall indicate which of the Company's obligations under the Merger Agreement are the subject of such Indemnification Claim. If the Escrow Agent does not receive a written objection from a Stockholder Representative to such Indemnification Claim prior to 5:00 p.m., Houston, Texas time, on the thirtieth (30th) day following the date of the Escrow Agent's actual receipt of such Indemnification Notice, then on the thirty-first (31st) day following such actual receipt (or if the thirty-first (31st) day is not a business day for the Escrow Agent, then on the first business day thereafter), the Escrow Agent shall deliver to the Parent certificates representing the number of Indemnity Shares, having a value, based upon the Average Market Price determined at the time of delivery thereof to the Parent, equal (as nearly as possible) to the Losses specified in the Indemnification Notice and shall deduct from the Escrow Account that number of Indemnity Shares so delivered to the Parent. The Indemnity Shares shall be deducted from the Escrowed Shares held on behalf of the respective Company Stockholders pro rata based on their respective interests in all of the Escrowed Shares then held in the Escrow Account. The Escrow Agent shall be permitted to request confirmation of the number of Indemnity Shares from the Parent prior to distribution and shall not be held liable for errors made in good faith. The Escrow Agent shall send a written confirmation of such release to the Stockholder Representatives promptly after the

consummation of such release. In the event that the Indemnity Shares delivered to the Parent pursuant to this Section 2 have an aggregate Average Market Price which exceeds the Losses specified in such Indemnification Notice by greater than \$250.00, the Parent shall deliver cash to the Escrow Agent in an amount equal to such excess and the Escrow Agent shall deposit such cash in the Escrow Account. Any cash so deposited in the Escrow Account may be distributed to the Parent in settlement of future Indemnification Claims in accordance with this Section 2 in lieu of or in addition to Parent Common Stock, and shall otherwise be distributed pro rata to the Company Stockholders based on their respective interests in all of the Escrowed Shares in the Escrow Account. Subject to the last sentence of this Section 2(b) and Section 2(g) below, any Indemnity Shares not released to Parent on January 19, 2002, and as to which no Indemnification Notice has been delivered by Parent prior to 5:00 p.m., Houston, Texas time, on January 19, 2002, shall be released to the Company Stockholders at their respective addresses of record set forth on the Ownership Table. These remaining Indemnity Shares shall be distributed to the Company Stockholders pro rata based on their respective interests in all of the Escrowed Shares then held in the Escrow Account. For purposes hereof, the term "Average Market Price" shall mean the average of the closing prices for shares of the Parent Common Stock on the Nasdaq Stock Market or other principal exchange or market on which or in which the Parent Common Stock is traded, for the period of five (5) consecutive trading days ending one trading day prior to the date of release of shares of Parent Common Stock to the Parent pursuant to this Section 2. Notwithstanding the foregoing, in the event that prior to 5:00 p.m., Houston, Texas time, on January 18, 2002, the Escrow Agent receives a Deposit Notice from the Parent that it has determined that a number of Indemnity Shares that would otherwise be distributable to such Principal Stockholders under this Section 2(b) are required to be placed into the Option Escrow to maintain the "Minimum Escrow Number" thereunder, then such number of Escrowed Shares set forth in such Deposit Notice that would otherwise be distributable to the Principal Stockholders shall not be distributed to the Principal Stockholders but shall instead be released into the Option Escrow to be held and released in accordance with the terms thereof.

(c) Notwithstanding anything to the contrary contained herein, the Escrow Agent shall, upon written instruction from the Parent, retain a number of Earn-Out Shares (which such shares shall be Earn-Out Shares not yet releasable to the Company Stockholders, or, if insufficient non-releasable Earn-Out Shares remain, Earn-Out Shares that would otherwise be released to Company Stockholders) equal to the number of Indemnity Shares released to Company Stockholders on January 19, 2002 in accordance with (b) above (such shares, the "Second Indemnity Shares"). Such Second Indemnity Shares shall serve as security for the Company's indemnity obligations under Article 14 of the Merger Agreement solely with respect to alleged breaches of Sections 6.10 and 6.13 of the Merger Agreement and that portion of the Capitalization Certificate setting forth the number of outstanding shares of Company Common Stock and other securities of the Company, including options, warrants and other contingent rights as of the effective time of the Merger (the "Second Indemnity Obligations") until December 31, 2002. Subject to paragraph (d) below, from time to time prior to 5:00 p.m., Houston, Texas time, on December 31, 2002, the Parent may deliver to the Escrow Agent and the Stockholder Representatives a written notice (a "Second Indemnification Notice") requesting distribution to the Parent of up to such number of Second Indemnity Shares having an aggregate Average Market Price on the date of release to Parent equal to the amount of the Losses (as defined in the Merger Agreement) specified in such notice for which the Parent is seeking indemnification under the Merger Agreement (the "Second Indemnification Claim"), along with

a delivery receipt or other appropriate proof of delivery to the Stockholder Representatives of a copy of such Second Indemnification Notice. Such Second Indemnification Notice shall indicate which of the Company's Second Indemnity Obligations under the Merger Agreement are the subject of such Second Indemnification Claim. If the Escrow Agent is not in actual receipt of a written objection from a Stockholder Representative to such Second Indemnification Claim prior to 5:00 p.m., Houston, Texas time, on the thirtieth (30th) day following the date of the Escrow Agent's actual receipt of such Second Indemnification Notice, then on the thirty-first (31st) day following such actual receipt (or if the thirty-first (31st) day is not a business day for the Escrow Agent, then on the first business day thereafter), the Escrow Agent shall deliver to the Parent certificates representing the number of Second Indemnity Shares, having a value, based upon the Average Market Price determined at the time of delivery thereof to the Parent, equal (as nearly as possible) to the Losses specified in the Second Indemnification Notice and shall deduct from the Escrow Account that number of Second Indemnity Shares so delivered to the Parent. The Second Indemnity Shares shall be deducted from the respective Escrowed Shares held on behalf of the respective Company Stockholders based on their respective interests in all of the Escrowed Shares then held in the Escrow Account. The Escrow Agent shall send a written confirmation of such release to the Stockholder Representatives promptly after the consummation of such release. In the event that the Second Indemnity Shares delivered to the Parent pursuant to this Section 2 have an aggregate Average Market Price which exceeds the Losses specified in such Second Indemnification Notice by greater than \$250.00, the Parent shall deliver cash to the Escrow Agent in an amount equal to such excess and the Escrow Agent shall deposit such cash in the Escrow Account. Any cash so deposited in the Escrow Account may be distributed to the Parent in settlement of future Second Indemnification Claims in accordance with this Section 2 in lieu of or in addition to Parent Common Stock, and shall otherwise be distributed pro rata to the Company Stockholders. Subject to the last sentence of this Section 2(c) and Section 2(g) below, any Second Indemnity Shares not released to Parent prior to 5:00 p.m., Houston, Texas time, on December 31, 2002, or as to which no Second Indemnification Notice has been delivered by Parent prior to 5:00 p.m., Houston, Texas time, on December 31, 2002, shall be released to the Company Stockholders at their respective addresses of record set forth on the Ownership Table. These remaining Second Indemnity Shares shall be distributed to the Company Stockholders pro rata based on their respective interests in all of the Escrowed Shares then held in the Escrow Account. Subject to the next sentence, any Second Indemnity Shares otherwise releasable to the Company Stockholders by virtue of such Second Indemnity Shares also constituting Earn-Out Shares that are determined to be releasable to the Company Stockholders pursuant to the terms of Sections 2(a)(iii) or (v) shall be released to the Company Stockholders at their respective addresses of record set forth on the Ownership Table on January 1, 2003 or the next business day. Notwithstanding the foregoing, in the event that, prior to 5:00 p.m., Houston, Texas time, on the date prior to the date on which the Escrow Agent would otherwise distribute Second Indemnity Shares to the Principal Stockholders pursuant to this Section 2(c), the Escrow Agent receives a Deposit Notice from the Parent that it has determined that a number of Indemnity Shares that would otherwise be distributable to such Principal Stockholders are required to be placed into the Option Escrow to maintain the "Minimum Escrow Number" thereunder, then such number of Escrowed Shares set forth in such Deposit Notice that would otherwise be distributable to the Principal Stockholders shall not be distributed to the Principal Stockholders but shall instead be released into the Option Escrow to be held and released in accordance with the terms thereof.

(d) If the Escrow Agent is in actual receipt of a written objection from a Stockholder Representative to an Indemnification Claim prior to 5:00 p.m., Houston, Texas time, on the thirtieth (30th) day following the Escrow Agent's actual receipt of such Indemnification Claim, the Escrow Agent shall make no distribution of Indemnity Shares until it shall have received either (i) non-conflicting written instructions from the Stockholder Representative and the Parent or (ii) a final order of an arbitrator or court having jurisdiction over the matter and directing distribution of such Indemnity Shares. Upon receipt of any such written instructions or order, the Escrow Agent shall release the number of shares of Parent Common Stock to be delivered to the Parent pursuant hereto based on the Average Market Price of the Parent Common Stock on the date on which such release shall occur, and shall distribute the stock certificates representing such Indemnity Shares in accordance with such written instructions or order and shall make a notation on the Escrow Account accordingly.

(e) At any time prior to 5:00 p.m., Houston, Texas time, on December 31, 2002, the Stockholder Representatives may deliver to the Escrow Agent a written notice (a "Stockholder Breach Notice") of any of (i) a material breach of the covenants of the Parent in Section 10.8 of the Merger Agreement that has satisfied the conditions for a breach thereof, and has not been cured within the applicable period thereunder, (ii) at any time during the Earn-Out Period (as defined in Merger Agreement) that Anousheh Ansari is the Manager (as defined in the Merger Agreement), the termination of Anousheh Ansari's employment with the Company and the Parent by the Parent without "Cause", or by Anousheh Ansari for "Good Reason" (each as defined in the Employment Agreement, dated as of the date hereof, between Anousheh Ansari and the Company and the Parent, the "AA Employment Agreement"), or (iii) at any time during the Earn-Out Period (as defined in Merger Agreement) that Hamid Ansari is the Manager, the termination of Hamid Ansari's employment with the Company and the Parent by the Parent without "Cause", or by Hamid Ansari for "Good Reason" (each as defined in the Employment Agreement, dated as of the date hereof, between Hamid Ansari and the Company and the Parent, the "HA Employment Agreement"), which Stockholder Breach Notice shall include a request for distribution to the Company Stockholders in the respective amounts set forth therein of the then-remaining Earn-Out Shares, along with a delivery receipt or other appropriate proof of delivery to the Parent of a copy of such Stockholder Breach Notice. Such Stockholder Breach Notice shall indicate which of the Parent's obligations under Section 10.8 of the Merger Agreement are the subject of such breach, or that one of the Principal Stockholders' employment has been terminated without "Cause" or one of the Principal Stockholders has terminated employment with the Company and the Parent for "Good Reason", and a brief description of the facts and circumstances surrounding such breach or termination, including the procedures followed under such Section 10.8 or the relevant Employment Agreement, if applicable (a "Stockholder Breach Claim"). If the Escrow Agent is not in actual receipt of a written notice from the Parent challenging such Stockholder Breach Claim prior to 5:00 p.m., Houston, Texas time, on the thirtieth (30th) day following the date of the Escrow Agent's actual receipt of such Stockholder Breach Notice, then on the thirty-first (31st) day following such actual receipt (or if the thirty-first (31st) day is not a business day for the Escrow Agent, then on the first business day thereafter), subject to the last sentence of this Section 2(e), the Escrow Agent shall deliver to the Company Stockholders at their respective addresses of record set forth on the Ownership Table the remaining Earn-Out Shares (other than any Earn-Out Shares that also constitute Second Indemnity Shares, which shall be held and released in accordance with Section 2(c)). Such Earn-Out Shares shall be distributed to the Company Stockholders pro rata based on their respective

interests in all of the Escrowed Shares then held in the Escrow Account. The Escrow Agent shall send a written confirmation of such release to the Parent promptly after the consummation of such release. Notwithstanding the foregoing, in the event that prior to 5:00 p.m., Houston, Texas time, on the date prior to the date on which the Escrow Agent would otherwise distribute Earn-Out Shares to the Principal Stockholders pursuant to this Section 2(e) the Escrow Agent receives a Deposit Notice from the Parent that it has determined that a number of Earn-Out Shares that would otherwise be distributable to such Principal Stockholders are required to be placed into the Option Escrow to maintain the "Minimum Escrow Number" thereunder, then such number of Escrowed Shares set forth in such Deposit Notice that would otherwise be distributable to the Principal Stockholders shall not be distributed to the Principal Stockholders but shall instead be released into the Option Escrow to be held and released in accordance with the terms thereof.

(f) If the Escrow Agent is in actual receipt of a written objection from the Parent to a Stockholder Breach Claim prior to 5:00 p.m., Houston, Texas time, on the thirtieth (30th) day following the date of the Escrow Agent's actual receipt of such Stockholder Breach Claim, the Escrow Agent shall make no distribution of any of the Escrowed Shares in respect of which such Stockholder Breach Claim has been made (other than pursuant to Sections 2(b)-2(d)) until it shall have received either (i) non-conflicting written instructions from the Stockholder Representatives and the Parent or (ii) a final order of an arbitrator or court having jurisdiction over the matter and directing distribution of such Escrowed Shares.

(g) Notwithstanding anything to the contrary in this Escrow Agreement, in the event that, at any time that there are Earn-Out Shares held in escrow pursuant to this Escrow Agreement, the Parent makes a claim under Article 14 of the Merger Agreement with respect to Losses arising from an alleged breach of Section 6.13 in an amount that exceeds the aggregate Average Market Price of any Indemnity Shares and Second Indemnity Shares then held pursuant to this Escrow Agreement and not the subject of another claim under such Article 14 (an "Excess Claim"), the Parent shall be entitled to deliver an Indemnification Notice in accordance with the provisions of Sections 2(b) and 2(d) against such Earn-Out Shares in the amount of such Excess Claim and such Earn-Out Shares shall be treated as though they were Indemnity Shares under Section 2(b) and not released pursuant to Section 2(a). Any such Earn-Out Shares shall be released to the Parent in accordance with the terms of Section 2(b) of the Escrow Agreement unless a timely objection to the Indemnification Notice is delivered in accordance with Section 2(d), in which case the subject Earn-Out Shares shall be held and released in accordance with such Section 2(d).

(h) Notwithstanding anything to the contrary set forth herein, or set forth in the Merger Agreement, the Stockholder Representatives shall be entitled to deliver written notice to the Escrow Agent, with a copy to the Parent (the "Change of Control Notice"), indicating whether, in the exercise of their reasonable judgment, they believe a change of Control of Parent (as defined below) has occurred, and setting forth a description in reasonable detail of the facts and circumstances of such occurrence. The Escrow Agent shall be entitled to rely on the facts set forth in the Change of Control Notice and shall not be responsible for independently determining or confirming whether such conditions have been met. The Change of Control Notice shall also contain a demand for release to the Company Stockholders in the respective amounts set forth therein of any Escrowed Shares then held in escrow (other than Indemnity Shares) (the "Change of Control Shares"). If the Escrow Agent does not receive prior to 5:00

p.m., Houston, Texas time, on the twentieth (20th) day after receipt by the Escrow Agent of a copy of the Change of Control Notice, a notice from the Parent, with a copy to the Stockholder Representatives (a "Change of Control Challenge Notice"), challenging whether a Change of Control of Parent has occurred, on the twenty-first (21st) day after receipt of the Change of Control Notice, the Escrow Agent shall release from escrow such Change of Control Shares and deliver to those Company Stockholders (at their respective addresses of record set forth on the Ownership Table) to whom such Change of Control Shares are attributable their respective shares of such Change of Control Shares as set forth in the Change of Control Notice. In the event that the Escrow Agent is in receipt of a Change of Control Challenge Notice prior to 5:00 p.m., Houston, Texas time, the twentieth (20th) day after receipt of a Change of Control Notice, the Escrow Agent shall not release from escrow any of the Change of Control Shares and shall keep such Change of Control Shares in escrow until it shall have received either (i) non-conflicting written instructions from the Stockholder Representatives and the Parent, or (ii) a final order of an arbitrator or court having jurisdiction over the matter and directing disposition of such Change of Control Shares. For purposes of this Escrow Agreement, "Change of Control of Parent" shall mean (i) the consummation of any merger, consolidation, recapitalization or other similar transaction, following which (a) less than 50.1% of the voting power and 50.1% of the equity of the entity resulting from such transaction is held or controlled by persons or entities who, immediately prior to the consummation of such transaction, were equity holders of the Parent or (b) members of the Parent's Board of Directors immediately prior to execution of the related agreement do not constitute a majority of the board of directors of the resulting entity; (ii) the consummation of any purchase of Parent Common Stock following which any person or entity owns in excess of 50% of the outstanding common equity or voting power of the Parent; (iii) the consummation of any sale by the Parent or all or substantially all of assets of the Parent or the Company; (iv) the consummation of any sale by the Parent of Company Common Stock in excess of 50% of the common equity or voting power of the Company.

3. CONCERNING THE PARENT COMMON STOCK.

3.1. Conversions, Dividends, Stock Splits, Mergers, Etc.

(a) So long as any of the Escrowed Shares are held by Escrow Agent hereunder, (i) all cash dividends and distributions paid or made in respect of the Escrowed Shares held by Escrow Agent shall be payable to the Company Stockholders as to whom beneficial ownership of the Escrowed Shares is attributable in the Escrow Account, and (ii) all other dividends and distributions paid or made in respect of the Escrowed Shares held by the Escrow Agent (including without limitation all dividends and distributions made in connection with any recapitalization, reclassification, split, combination or exchange or shares) shall be held by the Escrow Agent as Escrowed Shares as applicable. All stock dividends shall be issued in the name of the applicable Company Stockholder and shall be endorsed in blank for transfer and deposited with the Escrow Agent as Escrowed Shares hereunder. All cash dividends paid on or in respect of the Escrowed Shares held by the Escrow Agent shall be added to the Escrow Account for the accounts of the Company Stockholders on or with respect to whose Escrowed Shares such dividends were paid.

(b) If the Parent shall enter into any transaction in which shares of Parent Common Stock are converted into the right to receive cash, securities or other property each

Company Stockholder may, in its sole discretion, take all actions necessary or advisable in connection with such transactions, including without limitation, with respect to the execution and delivery of any letters of transmittal or similar documents relating to such transaction and the exercise of any dissenter's rights in respect thereof, and Escrow Agent shall cooperate with such Company Stockholder in connection with effecting such action, including, without limitation, by releasing directly to the Parent for conversion in connection with such transaction any Escrowed Shares to be delivered with such letters of transmittal. Any cash, securities or other property received by any Company Stockholder in respect of Escrowed Shares in such a transaction shall be deposited directly into the Escrow Account, and such Company Stockholder shall provide stock powers, duly endorsed in blank by such Company Stockholder, with respect thereto. All of such property shall be held and distributed as though it were Escrowed Shares hereunder, with any such property attributable to First Release Shares hereunder being held as such Escrowed Shares and any remaining property being held as Second Release Shares. In addition, in the event that any tender or exchange offer for shares of Parent Common Stock is commenced at any time at which there remain Escrowed Shares, each Company Stockholder may, in its sole discretion, direct the Escrow Agent to cause any Escrowed Shares attributable to such Company Stockholder to be duly tendered into such tender or exchange offer. Any cash, securities or other property received in respect of such tendered Escrowed Shares shall be deposited directly into the Escrow Account, and such Company Stockholder shall, if applicable, provide stock powers, duly executed in blank by such Company Stockholder, with respect thereto.

3.2. Voting Rights. All voting rights of the shares of Parent Common Stock held by the Escrow Agent shall be vested in the Company Stockholders to whom such shares are attributed in the Escrow Account unless and until such shares of Parent Common Stock are released pursuant to Section 2 hereof.

3.3. Adjustment for Corporate Actions. All of the share numbers set forth in this Escrow Agreement and the Schedules hereto reflect the capital structure of the Parent as of the date hereof. If subsequent to that date the outstanding shares of Parent Common Stock are increased, decreased, or exchanged for a different number or kind of shares or other securities, or if additional shares or new or different share or other securities are distributed with respect to shares of Parent Common Stock or other securities through reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, or other distribution with respect to such share of Common Stock, or other securities, an appropriate proportionate adjustment will be made in such share numbers set forth herein.

4. INVESTMENT OF ESCROWED FUNDS. Until the termination of this Escrow Agreement and the release of the Escrowed Shares and other property held by the Escrow Agent pursuant hereto, the Escrow Agent shall invest the Escrowed Funds in Fidelity Treasury Money Market Fund #77, unless otherwise instructed in writing by the Stockholder Representatives, invest and reinvest any portion of the escrowed property held by the Escrow Agent hereunder that consists of cash or cash equivalents (the "Escrowed Funds"). Such written instructions, if any, referred to in the foregoing sentence shall specify the type and identity of the investments to be purchased and/or sold and shall also include the name of the broker-dealer, if any, which the Stockholder Representatives direct the Escrow Agent to use in respect of such investment, any particular settlement procedures required, if any (which settlement procedures shall be consistent with industry standards and practices), and such other information as Escrow Agent may

reasonably require. The Escrow Agent shall not be liable for failure to invest or reinvest funds absent sufficient written direction. Unless the Escrow Agent is otherwise directed in such written instructions, Escrow Agent may use a broker-dealer of its own selection, including a broker-dealer owned by or affiliated with the Escrow Agent or any of its affiliates. The Escrow Agent or any of its affiliates may receive compensation with respect to any investment directed hereunder. It is expressly agreed and understood by the parties hereto that Escrow Agent shall not in any way whatsoever be liable for losses on any investments including, but not limited to, losses from market risks due to premature liquidation or resulting from other actions taken pursuant to this Escrow Agreement. Any interest or other income earned from the investment of the Escrowed Funds shall be immediately payable to the Company Stockholder to whom such Escrowed Funds are attributable.

5. TAX RELATED TERMS.

5.1. Tax Reporting. For tax reporting purposes, all interest or other income earned from the investment of the Escrow Funds in any tax year shall (i) to the extent such interest or other income is distributed by the Escrow Agent to any person or entity pursuant to the terms of this Escrow Agreement during such tax year, be allocated to such person or entity, and (ii) otherwise shall be allocated to such person or entity that receives income based on the Escrow Funds or Escrowed Shares.

5.2. Certification of Tax Identification Number. Each of the Stockholder Representatives and the Parent hereto agree to provide the Escrow Agent with a certified tax identification number by signing and returning a Form W-9 (or Form W-8, in case of non-U.S. persons) to the Escrow Agent prior to the date on which any income earned on the investment of the Escrow Funds is credited to the Escrow Funds. Each of the Stockholder Representatives and the Parent understand that, in the event their tax identification numbers are not certified to the Escrow Agent, the Internal Revenue Code, as amended from time to time, may require withholding of a portion of any interest or other income earned on the investment of the Escrow Funds.

6. RESPONSIBILITY OF ESCROW AGENT; DISPUTES.

(a) The Escrow Agent shall not be responsible for the genuineness of any signature or document presented to it pursuant to this Escrow Agreement and may rely conclusively upon and shall be protected in acting upon any judicial order or decree, certificate, notice, request, consent, statement, instruction or other instrument believed by it in good faith to be genuine or to be signed or presented by the proper person hereunder, or duly authorized by such person or properly made. Notwithstanding anything to the contrary in this Escrow Agreement, prior to taking any action hereunder, the Escrow Agent may, if in doubt regarding its duties and obligations, seek instructions from the Parent and the Stockholder Representatives, and if such instructions are in conflict, the Escrow Agent may seek instructions or other relief (including but not limited to interpleader) from a court of competent jurisdiction, and further may request such evidence, documents, certificates or opinions as it may deem appropriate. The Escrow Agent shall be entitled to retain counsel both to advise it and in connection with any court action, and such counsel's reasonable attorneys' fees shall be borne equally by the Stockholders as a group on the one hand and the Parent on the other. The Escrow Agent shall be

entitled to act in reliance upon the advice of counsel in all matters pertaining to this Escrow Agreement, and shall not be liable for any action taken or omitted by it in good faith in accordance with such advice. The Escrow Agent shall not be responsible for any of the agreements contained herein except the performance of its duties as expressly set forth herein. The duties and obligations of the Escrow Agent hereunder shall be governed solely by the provisions of this Escrow Agreement, and the Escrow Agent shall have no duties other than the duties expressly imposed herein and shall not be required to take any action other than in accordance with the terms hereof. The Escrow Agent shall not be bound by any notice of, or demand with respect to, any waiver, modification, amendment, termination, cancellation, rescission or supersession of this Escrow Agreement, unless in writing and signed by the Parent, the Stockholder Representatives and the Escrow Agent. In the event of any controversy or dispute hereunder or with respect to any question as to the construction of this Escrow Agreement, or any action to be taken by the Escrow Agent hereunder, the Escrow Agent shall incur no liability for any action taken or suffered in good faith, its liability hereunder to be limited solely to gross negligence or willful misconduct on its part. The Parent and the Stockholder Representatives jointly and severally agree to indemnify and hold the Escrow Agent harmless, and further to protect and defend the Escrow Agent (with counsel selected by the Escrow Agent) against any losses, liabilities and damages incurred by the Escrow Agent as a consequence of any action taken or omitted to be taken by it in the performance of its obligations hereunder (including, without limitation, the reasonable fees and disbursements of counsel), with the exception of any losses, liabilities and damages arising from the Escrow Agent's gross negligence or willful misconduct. The representations and obligations of the Stockholder Representatives and the Parent to the Escrow Agent in this Escrow Agreement shall survive the termination of this Escrow Agreement and shall be applicable whether or not The Chase Manhattan Bank is serving as Escrow Agent.

(b) In the event that any of the Escrowed Shares are required to be maintained in escrow pending receipt of a final order of an arbitrator or court having jurisdiction over a matter and directing distribution of any of the Escrowed Shares, it is the intention of the parties hereto that the arbitrator or court will be charged with determining whether the conditions for release of such Escrowed Shares to the Parent or the Company Stockholders as set forth in this Escrow Agreement or any other agreement relevant thereto, including the Merger Agreement, the AA Employment Agreement and the HA Employment Agreement, have been met.

7. FEES OF ESCROW AGENT. Parent hereby agrees with the Stockholder Representatives and the Escrow Agent to pay Escrow Agent for its services hereunder in accordance with Escrow Agent's fee schedule as attached as Schedule 7 hereto and to pay all out-of-pocket expenses reasonably incurred by Escrow Agent in connection with the performance of its duties and enforcement of its rights hereunder and otherwise in connection with the preparation, operation, administration and enforcement of this Escrow Agreement, including, without limitation, attorney's fees, brokerage costs and related expenses incurred by Escrow Agent but specifically excluding taxes payable by the Escrow Agent with respect to the receipt of its fees hereunder. The foregoing notwithstanding, the Parent and the Company Stockholders shall be jointly and severally liable to Escrow Agent for the payment of all such fees and expenses. In the event the Parent and Stockholders for any reason fail to pay any such fees and expenses as and when the same are due, such unpaid fees and expenses shall be charged

to and set-off and paid from the Escrow Account by the Escrow Agent without any further notice.

8. NOTICES AND COMMUNICATIONS. All notices or other communications hereunder shall be in writing and shall be deemed given if delivered personally or mailed by prepaid registered or certified mail (return receipt requested) or by telecopy, cable, telegram or telex addressed as follows:

(a) If to the Stockholder Representatives, to:

Anousheh Ansari
telecom technologies, inc.
1701 North Collins Boulevard
Suite 3000
Richardson, TX 75080
Facsimile: (972) 680-6329

John C. Phelan
MSD Capital, L.P.
780 Third Avenue, 43rd Floor
New York, NY 10017
Facsimile: (212) 303-1629

Copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Facsimile: (212) 403-2000
Attention: Andrew J. Nussbaum, Esq.

(b) If to Parent, to:

Sonus Networks, Inc.
5 Carlisle Road
Westford, MA 01886
Facsimile: (978) 392-8182
Attention: General Counsel

Copy to:

Bingham Dana LLP
150 Federal Street
Boston, MA 02110
Facsimile: (617) 951-8736
Attention: David L. Engel, Esq. and
Johan V. Brigham, Esq.

(c) If to Escrow Agent, to:

The Chase Manhattan Bank
600 Travis, Suite 1150
Houston, TX 77002
Attention: Greg Campbell
Facsimile: 713-216-6927

Copy to:

Attention: -----

and if to any of the Company Stockholders, to the address set forth next to his/her name on the Ownership Table hereto, with a copy to counsel as set forth above.

9. TERM; AMENDMENTS; SUCCESSORS. Except as otherwise provided herein, this Escrow Agreement shall continue until the later of June 30, 2003, or if there are any unresolved or unpaid Indemnification Claims outstanding on such date, the date on which such Indemnification Claims are finally determined, settled or resolved, and the date on which all of the Escrowed Shares have been distributed as provided in Section 2 hereof, provided that the Parent and the Stockholder Representatives may earlier terminate this Escrow Agreement upon their mutual written consent. This Escrow Agreement may be amended only as provided in Section 6 hereof and shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

10. COUNTERPARTS. This Escrow Agreement may be executed in any number of counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. In making proof of this Escrow Agreement it shall be necessary to produce or account for only one such counterpart signed by or on behalf of the party sought to be charged herewith.

11. SUCCESSOR ESCROW AGENT. The Escrow Agent may resign upon thirty (30) days' prior written notice to the Parent and the Stockholder Representatives. Upon the resignation of the Escrow Agent, the Parent and the Stockholder Representatives shall appoint a successor escrow agent or otherwise provide for the disposition of shares or other property held by the Escrow Agent by notice in writing to the Escrow Agent. Escrow Agent's sole responsibility after such 30-day notice period expires shall be to hold the Escrowed Shares and Escrow Funds (without any obligation to reinvest the same) and to deliver the same to a designated substitute escrow agent, if any, or in accordance with the directions of a final order or judgment of a court of competent jurisdiction, at which time of delivery Escrow Agent's obligations hereunder shall cease and terminate. The incumbent Escrow Agent shall deliver to the successor Escrow Agent the stock certificates representing the Escrowed Shares and any other property held by it in escrow hereunder, less any property sold or liquidated by it to pay its unpaid fees and expenses, as provided in said notice.

12. ENTIRE AGREEMENT. This Escrow Agreement, except with respect to the Parent and the Stockholder Representatives, contains the entire agreement and understanding of the parties with respect to the transactions contemplated hereby. No prior agreement, either written or oral, shall be construed to change, amend, alter, repeal or invalidate this Escrow Agreement.

13. REPRESENTATIONS OF THE PARENT AND STOCKHOLDER REPRESENTATIVES. Each of the Parent and each Stockholder Representative represents and warrants to the Escrow Agent that it/he has the power and authority to enter into this Escrow Agreement and to carry out its/his obligations hereunder, that it/he has duly authorized, executed and delivered this Escrow Agreement, and this Escrow Agreement is its/his valid and binding obligation.

14. GOVERNING LAW. The validity, enforceability and construction of this Escrow Agreement shall be governed by the laws of the State of Delaware.

15. SCOPE OF UNDERTAKING. The Escrow Agent's duties and responsibilities in connection with this Escrow Agreement shall be purely ministerial and shall be limited to those expressly set forth in this Escrow Agreement. The Escrow Agent is not a principal, participant or beneficiary in any transaction underlying this Escrow Agreement and shall have no duty to inquire beyond the terms and provisions hereof. The Escrow Agent shall have no responsibility or obligation of any kind in connection with this Escrow Agreement or the Escrowed Shares and Escrow Funds other than as expressly set forth herein and shall not be required to deliver the Escrowed Shares and Escrow Funds or any part thereof or take any action with respect to any matters that might arise in connection therewith, other than to receive, hold, invest, reinvest and deliver the Escrowed Shares and Escrow Funds as herein provided. Without limiting the generality of the foregoing, it is hereby expressly agreed and stipulated by the parties hereto that Escrow Agent shall not be required to exercise any discretion hereunder and shall have no investment or management responsibility and, accordingly, shall have no duty to, or liability for its failure to, provide investment recommendations or investment advice to the Parent or Stockholders Representative or any of them. The Escrow Agent shall not be liable for any error in judgment, any act or omission, any mistake of law or fact, or for anything it may do or refrain from doing in connection herewith, except for, subject to Section 6(a) hereinabove, its own willful misconduct or gross negligence. It is the intention of the parties hereto that the Escrow Agent shall never be required to use, advance or risk its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

16. TERMINATION. This Escrow Agreement shall terminate upon the disbursement, in accordance hereto, of the Escrowed Shares and Escrowed Funds in full; provided, however, that in the event all fees, expenses, costs and other amounts require to be paid to the Escrow Agent hereunder are not fully and finally paid prior to termination, the provisions of Section 6(a) and 7 hereof shall survive the termination hereof.

17. FUNDS TRANSFER.

(a) In the event funds transfer instructions are given (other than in writing at the time of execution of the Escrow Agreement), whether in writing, by telefax, or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the Parent or the Stockholder Representatives, as applicable, and the Escrow Agent may rely upon the confirmations of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by the Escrow Agent. The parties to this Escrow Agreement acknowledge that such security procedure is commercially reasonable.

(b) It is understood that the Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying number provided by either of the other parties hereto to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank, designated.

18. CONFIDENTIALITY. The Escrow Agent acknowledges that the existence, status or terms of this Agreement and the transactions contemplated hereby, (hereinafter called "Confidential Information") are valuable, special, and unique assets of the Parent. During the term of this Agreement and thereafter, except as agreed to in writing by the Parent, the Escrow Agent shall not disclose any or any part of the Confidential Information to any person, firm, corporation, association, or any other entity for any reason or purpose whatsoever, directly or indirectly, except as required by law or (to the extent the Parent has received prior notice thereof and has been given an opportunity to obtain a protective order concerning such Confidential Information) as required in connection with litigation among the parties hereto unless and until such Confidential Information becomes publicly known or available other than as a consequence of a breach of the confidentiality obligations hereunder. The Escrow Agent agrees that any breach or threatened breach of this Section 18 by the Escrow Agent would cause not only financial harm, but irreparable harm to the Parent; that money damages will not provide an adequate remedy. Except with respect to willful misconduct on the part of the Escrow Agent, the sole remedy of the Parent for breach of this Section 18 shall be to pursue an injunction (without the necessity of posting any bond or surety) restraining the Escrow Agent from disclosing or using, in whole or in part, any Confidential Information.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the undersigned have executed this Escrow Agreement as an instrument under seal as of the day and year first written above.

SONUS NETWORKS, INC.

By: /s/ Hassan Ahmed

Hassan Ahmed, President

[Signatures continue on following page(s).]

THE CHASE MANHATTAN BANK,
as Escrow Agent

Attest:

By: /s/ Greg Campbell

Name: Greg Campbell
Title: Assistant Vice President
& Trust Officer

[Signatures continue on following page(s).]

STOCKHOLDER REPRESENTATIVES

Attest:

By: /s/ Anousheh Ansari

Anousheh Ansari

Attest:

By:

John C. Phelan

STOCKHOLDER REPRESENTATIVES

Attest:

By:

Anousheh Ansari

Attest:

By: /s/ John C. Phelan

John C. Phelan

OPTION PLAN FUNDING AND
ESCROW AGREEMENT

This OPTION PLAN FUNDING AND ESCROW AGREEMENT (this "Escrow Agreement"), dated as of January 18, 2001, is among SONUS NETWORKS, INC., a Delaware corporation (the "Parent"), ANOUSHEH ANSARI and HAMID ANSARI (the "Principal Stockholders"), and THE CHASE MANHATTAN BANK, a New York State Bank, as escrow agent (in such capacity, the "Escrow Agent"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Merger Agreement (as defined below). The Escrow Agent (i) has not received a copy of, (ii) has not reviewed, (iii) is not a party to, and (iv) will not be held responsible under the terms of the Merger Agreement.

WHEREAS, the Parent, STORM MERGER SUB, INC., a Texas corporation and wholly owned subsidiary of the Parent ("Merger Sub"), and TELECOM TECHNOLOGIES, INC., a Texas corporation (the "Company"), have entered into an Agreement and Plan of Merger and Reorganization, dated as of November 2, 2000 (the "Merger Agreement"), pursuant to which the Merger Sub shall be merged with and into the Company, with the Company being the surviving corporation, and all of the outstanding shares of Class A common stock, no par value, and Class B common stock, no par value, of the Company (collectively, "Company Common Stock"), will be exchanged into the right to receive shares of the common stock of the Parent, par value \$0.001 per share (the "Parent Common Stock");

WHEREAS, pursuant to the Merger Agreement, the Parent shall deposit in escrow an aggregate of 5,400,000 of the shares of Parent Common Stock (the "Earn-out Escrow Shares") that would otherwise be issuable to the Company Stockholders, in the Merger, to be held and distributed on the terms and conditions set forth in an Escrow Agreement, dated as of the date hereof, among the Parent, the Stockholders Representatives named therein and the Escrow Agent (the "Earn-out Escrow Agreement"); and

WHEREAS, in accordance with certain agreements entered into prior to the date hereof, the Principal Stockholders have agreed with certain other stockholders of the Company to fund the exercise of all outstanding options, warrants and other contingent rights to acquire shares of Parent Common Stock (the "Roll-Over Options") issued in replacement for all outstanding options, warrants and other contingent rights to acquire shares of Company Common Stock granted by the Company prior to the Effective Time (the "Company Options"), and is willing to enter into this Escrow Agreement with the Parent to continue to fund the exercise of the Roll-Over Options after the Effective Time (as defined in the Merger Agreement) on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth in this Escrow Agreement, the parties hereto hereby agree as follows:

1. AGREEMENT TO FUND ROLL-OVER OPTION EXERCISES; DEPOSIT OF ESCROWED SHARES AND DEPOSIT OF ADDITIONAL ESCROWED SHARES IF REQUIRED.

(a) The Principal Stockholders hereby agree that, in the event that any of the Roll-Over Options are exercised for cash or the surrender of shares of Parent Common Stock after January 18, 2001, the Principal Stockholders shall deliver to the Parent, in exchange for the payment to the Principal Stockholders of the aggregate amount of exercise price (if any) received by Parent upon the exercise of such Roll-Over Options in accordance with their terms as of the Effective Time, the number of shares of Parent Common Stock required to be issued to the holder of such Roll-Over Option, PROVIDED, that (i) if the exercise price for the Roll-Over Options is paid through the surrender of shares of Parent Common Stock in accordance with the terms of the relevant Roll-Over Option, the Principal Stockholders shall only be required to deliver to Parent the number of shares of Parent Common Stock actually issued by the Parent (i.e., the "net" amount) to the optionee in respect of such Roll-Over Option, and the Parent shall not be required to deliver to the Principal Stockholders the shares of Parent Common Stock surrendered in payment of the exercise price of such Roll-Over Option; and (ii) if the Parent makes any adjustments to the Roll-Over Options which is materially favorable to the Optionee, including a reduction in the relevant exercise price or an acceleration of such Roll-Over Options, that in any case is not required by the relevant stock option plan or the agreement evidencing such Roll-Over Options (the "Adjusted Options"), the Principal Stockholders shall have no obligation to deliver shares of Parent Common Stock upon any exercise of such Adjusted Options.

(b) The Escrow Agent shall maintain any shares of Parent Common

Stock subject to this Escrow Agreement (the "Option Escrow Shares") and any other property subject to this Escrow Agreement in a separate account (the "Escrow Account").

(c) In accordance with Section 3.3(b) of the Merger Agreement, as of January 18, 2001, the Parent shall deposit with the Escrow Agent stock certificates representing 1,548,340 shares of Parent Common Stock, as escrow agent under this Escrow Agreement (the "Initial Escrowed Shares") that would otherwise be issuable to the Principal Stockholders in the Merger but for such Section 3.3(b), with stock powers duly executed in blank by the Principal Stockholders. In addition, the Parent and the Principal Stockholders hereby agree that at such time as they would otherwise be distributable the Parent shall be entitled to cause a number of shares of Parent Common Stock that would otherwise be distributable to the Principal Stockholders pursuant to Section 2 of the Earn-out Escrow Agreement to be deposited into the Escrow Account so that the number of Option Escrow Shares shall at all times be equal to not less than the "Minimum Escrow Number" defined below. Such shares of Parent Common Stock shall be held by the Escrow Agent hereunder as Option Escrow Shares and distributed in accordance with the terms hereof. In the event that the Parent elects to exercise its right to cause such shares of Parent Common Stock to become Option Escrow Shares, the Parent shall deliver a notice (referred to in the Earn-Out Escrow Agreement as a "Deposit Notice") to the Escrow Agent indicating the number of shares of Parent Common Stock that would otherwise be distributable to the Principal Company Stockholders under Section 2 of the Earn-Out Escrow Agreement that are to be deposited into the Escrow Account established hereby as Option Escrow Shares and the Escrow Agent shall accept the deposit of such additional Option

Escrowed Shares. The "Minimum Escrow Number" shall be equal to the maximum number of shares of Parent Common Stock issuable upon the exercise in full for cash of all Roll-Over Options outstanding at the time of a release from the Earn-Out Escrow, regardless of whether or not such Roll-Over Options are at such time exercisable.

2. ADJUSTMENTS TO AND RELEASE OF ESCROWED SHARES.

(a) Upon the exercise of any Roll-Over Options by the holders thereof (an "Optionee") pursuant to the Company's Amended and Restated 1998 Equity Incentive Plan (the "Plan"), for cash, including any exercise that takes place pursuant to the mechanism established by Article Two, Section VII(A)(2)(b) of the Plan, the Parent shall provide notice to the Principal Stockholders and the Escrow Agent of such exercise, including the number of shares of Parent Common Stock issued and the date of such issuance. After the Parent has received the total exercise price due, if any, from the Optionee (the "Exercise Price"), the Parent shall deposit an amount in cash equal to the Exercise Price with the Escrow Agent. Upon receipt in full of the Exercise Price from the Parent, the Parent will instruct the Escrow Agent to (i) release to the Parent the number of Option Escrow Shares equal to the number of shares of Parent Common Stock issued to such Optionee, and (ii) pay to the Principal Stockholders the aggregate amount of the Exercise Price.

(b) In the event an Optionee elects, pursuant to the Plan, to tender the number shares of Parent Common Stock of equal value to the Exercise Price of such Optionee's option in accordance with Article Two, Section VII(A)(2)(a) of the Plan (a "Cashless Exercise"), the Parent shall provide notice to the Principal Stockholders and the Escrow Agent of such Cashless Exercise, including the number of shares of Parent Common Stock surrendered in payment of the Exercise Price of such Roll-Over Options and the date of such issuance. After receipt of written instructions from the Parent, a copy of which the Parent shall provide to the Principal Stockholders, the Escrow Agent shall promptly (i) release to the Principal Stockholders a number of Option Escrow Shares equal to the number of shares surrendered by the Optionee in payment of the Exercise Price and (ii) release to the Parent a number of Option Escrow Shares equal to the number of shares issued to the Optionee by the Parent.

(c) Upon the expiration or forfeiture of any Roll-Over Options (each such event an "Option Termination"), the Parent shall provide notice to the Principal Stockholders and the Escrow Agent of such Option Termination, including the number of shares of Parent Common Stock that would have been issuable prior to such Option Termination and the date of such Option Termination. After receipt of written instructions from the Parent, a copy of which the Parent shall provide to the Principal Stockholders, the Escrow Agent shall release to the Principal Stockholders a number of Option Escrow Shares equal to the number of shares of Parent Common Stock that would have been issuable upon exercise of any such expired or forfeited Roll-Over Options.

(d) In the event that Parent makes any adjustments to the Roll-Over Options that result in such Roll-Over Options becoming Adjusted Options, the Parent shall provide notice to the Principal Stockholders and the Escrow Agent of such adjustment. After receipt of written instructions from the Parent, a copy of which the Parent shall provide to the Principal Stockholders, the Escrow Agent shall promptly release to the Principal Stockholders a number of

Option Escrow Shares equal to the aggregate number of shares of Parent Common Stock that are issuable upon exercise of any such Adjusted Options and the Parent shall have no further obligations under this Escrow Agreement with respect to such Adjusted Options, including but not limited to under this Section 2.

3. CONCERNING THE PARENT COMMON STOCK.

3.1. Conversions, Dividends, Stock Splits, Mergers, Etc.

(a) So long as any of the Option Escrow Shares are held by the Escrow Agent hereunder, (i) all cash dividends and distributions paid or made in respect of the Option Escrow Shares held by the Escrow Agent shall be paid to the Principal Stockholders as and when distributed, and (ii) all other dividends and distributions paid or made in respect of the Option Escrow Shares held by the Escrow Agent (including without limitation all dividends and distributions made in connection with any recapitalization, reclassification, split, combination or exchange of shares) shall be held by the Escrow Agent as Option Escrow Shares as applicable. All stock dividends shall be issued in the name of the Principal Stockholders and shall be endorsed in blank for transfer and deposited with the Escrow Agent as Option Escrow Shares hereunder.

(b) If the Parent shall enter into any transaction in which shares of Parent Common Stock are converted into the right to receive cash, securities or other property the Principal Stockholders may, in his or her sole discretion, take all actions necessary or advisable in connection with such transactions, including, without limitation, with respect to the execution and delivery of any letters of transmittal or similar documents relating to such transaction and the exercise of any dissenter's rights in respect thereof, and the Escrow Agent shall cooperate with the Principal Stockholders in connection with effecting such action, including, without limitation, by releasing directly to the Parent for conversion in connection with such transaction any Option Escrow Shares to be delivered with such letters of transmittal.

Any securities received by the Principal Stockholders in respect of Option Escrow Shares in such a transaction ("Replacement Securities") shall be deposited directly into the Escrow Account, and the Principal Stockholders shall provide stock powers, duly endorsed in blank by the Principal Stockholders, with respect thereto. Any such Replacement Securities shall be held and distributed as though they were Option Escrow Shares hereunder.

Any cash or property other than securities received by the Principal Stockholders in respect of Option Escrow Shares in such a transaction (the "Escrowed Property") shall be initially deposited with the Escrow Agent, and the Escrow Agent shall promptly notify the Parent and the Principal Stockholders of the such deposit. After the Parent has received such notice, the Parent shall instruct the Escrow Agent in writing to promptly distribute to the Principal Stockholders the Escrowed Property, PROVIDED, that no Escrowed Property shall be distributed to the Principal Stockholders, and no instructions with respect thereto shall be given by the Parent, if such a distribution would cause the number of Option Escrow Shares to be reduced below the Minimum Escrow Number.

(c) In the event that any tender or exchange offer for shares of Parent Common Stock is commenced at any time at which there remain Option Escrow Shares, the Principal Stockholders may, in his or her sole discretion, direct Escrow Agent to cause the Option Escrow Shares to be duly tendered into such tender or exchange offer. Any Replacement Securities or Escrowed Property received in respect of such tendered Option Escrow Shares shall be held and released in the manner specified in Section 3.1(b) hereof.

3.2. Voting Rights. All voting rights of the shares of Parent Common Stock held by the Escrow Agent shall be vested in the Principal Stockholders unless and until such shares of Parent Common Stock are released pursuant to Section 2 hereof.

4. INVESTMENT OF ESCROWED FUNDS. Until the termination of this Escrow Agreement and the release of the Option Escrow Shares and other property held by the Escrow Agent pursuant hereto, the Escrow Agent shall, invest the Escrowed Funds in Fidelity Treasury Money Market Fund #77, unless otherwise instructed in writing by Principal Stockholders, invest and reinvest any portion of the escrowed property held by the Escrow Agent hereunder which consists of cash or cash equivalents (the "Escrowed Funds"). Such written instructions, if any, referred to in the foregoing sentence shall specify the type and identity of the investments to be purchased and/or sold and shall also include the name of the broker-dealer, if any, which the Principal Stockholders Representatives direct the Escrow Agent to use in respect of such investment, any particular settlement procedures required, if any (which settlement procedures shall be consistent with industry standards and practices), and such other information as Escrow Agent may reasonably require. The Escrow Agent shall not be liable for failure to invest or reinvest funds absent sufficient written direction. Unless the Escrow Agent is otherwise directed in such written instructions, the Escrow Agent may use a broker-dealer of its own selection, including a broker-dealer owned by or affiliated with the Escrow Agent or any of its affiliates. The Escrow Agent or any of its affiliates may receive compensation with respect to any investment directed hereunder. It is expressly agreed and understood by the parties hereto that the Escrow Agent shall not in any way whatsoever be liable for losses on any investments, including, but not limited to, losses from market risks due to premature liquidation or resulting from other actions taken pursuant to this Escrow Agreement. Any interest or other income earned from the investment of the Escrowed Funds shall be immediately payable to the Principal Stockholders to whom such Escrowed Funds are attributable.

5. TAX RELATED TERMS.

5.1. Tax Reporting. For tax reporting purposes, all interest or other income earned from the investment of the Escrow Funds in any tax year shall (i) to the extent such interest or other income is distributed by the Escrow Agent to any person or entity pursuant to the terms of this Escrow Agreement during such tax year, be allocated to such person or entity, and (ii) otherwise shall be allocated to such person or entity that receives income based on the Escrow Funds or Option Escrow Shares.

5.2. Certification of Tax Identification Number. Each of the Principal Stockholders and the Parent hereby agree to provide the Escrow Agent with certified tax identification numbers by each signing and returning a Form W-9 (or Form W-8, in case of non-U.S. persons) to the Escrow Agent prior to the date on which any income earned on the

investment of the Escrow Funds is credited to the Escrow Funds. The Principal Stockholders and the Parent understand that, in the event their tax identification numbers are not certified to the Escrow Agent, the Internal Revenue Code, as amended from time to time, may require withholding of a portion of any interest or other income earned on the investment of the Escrow Funds.

6. RESPONSIBILITY OF ESCROW AGENT. The Escrow Agent shall not be responsible for the genuineness of any signature or document presented to it pursuant to this Escrow Agreement and may rely conclusively upon and shall be protected in acting upon any judicial order or decree, certificate, notice, request, consent, statement, instruction or other instrument reasonably believed by it in good faith to be genuine or to be signed or presented by the proper person hereunder, or duly authorized by such person or properly made. Notwithstanding anything to the contrary in this Escrow Agreement, prior to taking any action hereunder, the Escrow Agent may, if in doubt regarding its duties and obligations, seek instructions from the Parent and the Principal Stockholders, and if such instructions are in conflict, the Escrow Agent may seek instructions or other relief (including but not limited to interpleader) from a court of competent jurisdiction, and further may request such evidence, documents, certificates or opinions as it may deem appropriate. The Escrow Agent shall be entitled to retain counsel both to advise it and in connection with any court action, and such counsel's reasonable attorneys' fees shall be borne equally by the Principal Stockholders on the one hand and the Parent on the other. The Escrow Agent shall be entitled to act in reliance upon the advice of counsel in all matters pertaining to this Escrow Agreement, and shall not be liable for any action taken or omitted by it in good faith in accordance with such advice. The Escrow Agent shall not be responsible for any of the agreements contained herein except the performance of its duties as expressly set forth herein. The duties and obligations of the Escrow Agent hereunder shall be governed solely by the provisions of this Escrow Agreement, and the Escrow Agent shall have no duties other than the duties expressly imposed herein and shall not be required to take any action other than in accordance with the terms hereof. The Escrow Agent shall not be bound by any notice of, or demand with respect to, any waiver, modification, amendment, termination, cancellation, rescission or supersession of this Escrow Agreement, unless in writing and signed by the Parent, the Principal Stockholders and the Escrow Agent. In the event of any controversy or dispute hereunder or with respect to any question as to the construction of this Escrow Agreement, or any action to be taken by the Escrow Agent hereunder, the Escrow Agent shall incur no liability for any action taken or suffered in good faith, its liability hereunder to be limited solely to gross negligence or willful misconduct on its part. The Parent and the Principal Stockholders (in the case of the Principal Stockholders, in the event of their negligence or willful misconduct only) agree to indemnify and hold the Escrow Agent harmless, and further to protect and defend the Escrow Agent (with counsel selected by the Escrow Agent) against any losses, liabilities and damages incurred by the Escrow Agent as a consequence of any action taken or omitted to be taken by it in the performance of its obligations hereunder (including, without limitation, the reasonable fees and disbursements of counsel), with the exception of any losses, liabilities and damages arising from the Escrow Agent's gross negligence or willful misconduct. The representations and obligations of the Principal Stockholders and the Parent to the Escrow Agent in this Escrow Agreement shall survive the termination of this Escrow Agreement and shall be applicable whether or not The Chase Manhattan Bank is serving as Escrow Agent.

7. FEES OF ESCROW AGENT. Parent hereby agrees with the Principal Stockholders and the Escrow Agent to pay the Escrow Agent for its services hereunder in accordance with the Escrow Agent's fee schedule attached as Schedule 7 hereto and to pay all out-of-pocket expenses reasonably incurred by the Escrow Agent in connection with the performance of its duties and enforcement of its rights hereunder and otherwise in connection with the preparation, operation, administration and enforcement of this Escrow Agreement, including, without limitation, attorney's fees, brokerage costs and related expenses incurred by the Escrow Agent but specifically excluding taxes payable by the Escrow Agent with respect to the receipt of its fees hereunder. The foregoing notwithstanding, the Parent and the Principal Stockholders shall be jointly and severally liable to the Escrow Agent for the payment of all such fees and expenses. In the event the Parent and the Stockholders for any reason fail to pay any such fees and expenses as and when the same are due, such unpaid fees and expenses shall be charged to and set off and paid from the Escrow Account by the Escrow Agent without any further notice.

8. NOTICES AND COMMUNICATIONS. All notices or other communications hereunder shall be in writing and shall be deemed given if delivered personally or mailed by prepaid registered or certified mail (return receipt requested) or by telecopy, cable, telegram or telex addressed as follows:

(a) If to the Principal Stockholders, to:

Anousheh Ansari
Telecom Technologies, Inc.
1701 North Collins Boulevard
Suite 300
Richardson, TX 75080
Facsimile: (972) 680-6329

Copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Facsimile: (212) 403-2000
Attention: Andrew J. Nussbaum, Esq.

(b) If to Parent, to:

Sonus Networks, Inc.
5 Carlisle Ave.
Westford, MA 01886
Facsimile: (978) 392-8182
Attention: General Counsel

Copy to:

Bingham Dana LLP
150 Federal Street
Boston, MA 02110
Facsimile: (617) 951-8736
Attention: David L. Engel, Esq. and
Johan V. Brigham, Esq.

(c) If to Escrow Agent, to:

The Chase Manhattan Bank
600 Travis, Suite 1150
Houston, TX 77002
Facsimile: (713) 216-6927
Attention: Greg Campbell

Copy to:

Attention: -----

9. TERM; AMENDMENTS; SUCCESSORS. Except as otherwise provided herein, this Escrow Agreement shall continue until the later of December 31, 2002 and the date on which all of the Option Escrow Shares have been distributed as provided in Section 2 hereof, PROVIDED that the Parent and the Principal Stockholders may earlier terminate this Escrow Agreement upon their mutual written consent. This Escrow Agreement may be amended only as provided in Section 6 hereof and shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

10. COUNTERPARTS. This Escrow Agreement may be executed in any number of counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. In making proof of this Escrow Agreement it shall be necessary to produce or account for only one such counterpart signed by or on behalf of the party sought to be charged herewith.

11. SUCCESSOR ESCROW AGENT. The Escrow Agent may resign upon thirty (30) days' prior written notice to the Parent and the Principal Stockholders. Upon the resignation of the Escrow Agent, the Parent and the Principal Stockholders shall appoint a successor escrow agent or otherwise provide for the disposition of shares or other property held by the Escrow Agent by notice in writing to the Escrow Agent. The Escrow Agent's sole responsibility after such 30-day notice period expires shall be to hold the Escrowed Shares and Escrow Funds (without any obligation to reinvest the same) and to deliver the same to a designated substitute escrow agent, if any, or in accordance with the directions of a final order or judgment of a court

of competent jurisdiction, at which time of delivery the Escrow Agent's obligations hereunder shall cease and terminate. The incumbent Escrow Agent shall deliver to the successor escrow agent the stock certificates representing the Option Escrow Shares and any other property held by it in escrow hereunder, less any property sold or liquidated by it to pay its delinquent, unpaid fees and expenses, as provided in said notice.

12. ENTIRE AGREEMENT. This Escrow Agreement, except with respect to the Parent and the Principal Stockholders, contains the entire agreement and understanding of the parties with respect to the transactions contemplated hereby. No prior agreement, either written or oral, shall be construed to change, amend, alter, repeal or invalidate this Escrow Agreement.

13. REPRESENTATIONS OF THE PARENT AND THE PRINCIPAL STOCKHOLDERS. Each of the Parent and the Principal Stockholders represents and warrants to the Escrow Agent that it or they has the power and authority to enter into this Escrow Agreement and to carry out its or their obligations hereunder, that it or they has duly authorized, executed and delivered this Escrow Agreement, and this Escrow Agreement is its or their valid and binding obligation.

14. GOVERNING LAW. The validity, enforceability and construction of this Escrow Agreement shall be governed by the laws of the State of Delaware.

15. SCOPE OF UNDERTAKING. The Escrow Agent's duties and responsibilities in connection with this Escrow Agreement shall be purely ministerial and shall be limited to those expressly set forth in this Escrow Agreement. The Escrow Agent is not a principal, participant or beneficiary in any transaction underlying this Escrow Agreement and shall have no duty to inquire beyond the terms and provisions hereof. The Escrow Agent shall have no responsibility or obligation of any kind in connection with this Escrow Agreement or the Escrowed Shares and Escrow Funds other than as expressly set forth herein and shall not be required to deliver the Escrowed Shares and Escrow Funds or any part thereof or take any action with respect to any matters that might arise in connection therewith, other than to receive, hold, invest, reinvest and deliver the Escrowed Shares and Escrow Funds as herein provided. Without limiting the generality of the foregoing, it is hereby expressly agreed and stipulated by the parties hereto that the Escrow Agent shall not be required to exercise any discretion hereunder and shall have no investment or management responsibility and, accordingly, shall have no duty to, or liability for its failure to, provide investment recommendations or investment advice to the Parent or Principal Stockholders or any of them. The Escrow Agent shall not be liable for any error in judgment, any act or omission, any mistake of law or fact, or for anything it may do or refrain from doing in connection herewith, except for, subject to Section 6(a) hereinabove, its own willful misconduct or gross negligence. It is the intention of the parties hereto that the Escrow Agent shall never be required to use, advance or risk its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

16. TERMINATION. This Escrow Agreement shall terminate upon the disbursement, in accordance hereto, of the Escrowed Shares and Escrowed Funds in full; PROVIDED, HOWEVER, that in the event all fees, expenses, costs and other amounts require to be

paid to the Escrow Agent hereunder are not fully and finally paid prior to termination, the provisions of Sections 6 and 7 hereof shall survive the termination hereof.

17. FUNDS TRANSFER. (a) In the event funds transfer instructions are given (other than in writing at the time of execution of the Escrow Agreement), whether in writing, by telefax, or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the Parent or the Principal Stockholders, as applicable, and the Escrow Agent may rely upon the confirmations of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by the Escrow Agent. The parties to this Escrow Agreement acknowledge that such security procedure is commercially reasonable.

(b) It is understood that the Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying number provided by either of the other parties hereto to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank, designated.

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IN WITNESS WHEREOF, the undersigned have executed this Escrow Agreement as an instrument under seal as of the day and year first written above.

SONUS NETWORKS, INC.

By: /s/ Hassan Ahmed

Hassan Ahmed, President

[SIGNATURES CONTINUE ON FOLLOWING PAGE(S)]

Attest:

PRINCIPAL STOCKHOLDERS

/s/ Anousheh Ansari

Anousheh Ansari

Attest:

/s/ Hamid Ansari

Hamid Ansari

Attest:

THE CHASE MANHATTAN BANK
as Escrow Agent

/s/ May Mg

By: /s/ Greg Campbell

Name: Greg Campbell
Title: Assistant Vice
President & Trust
Officer

Address:

[SIGNATURES CONTINUE ON FOLLOWING PAGE(S)]

SONUS NETWORKS, INC.

2000 RETENTION PLAN

FORM OF AWARD AGREEMENT

THIS AGREEMENT dated as of ,20 , (the "Grant Date") between Sonus Networks, Inc., a Delaware corporation (the "Company"), and the undersigned employee of telecom technologies, inc., a Texas corporation (the "Subsidiary") below, residing at the address there set out (the "Participant"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Plan (as defined below) a copy of which is attached as Exhibit A hereto. Other defined terms have the meaning set forth in the Agreement and Plan of Merger and Reorganization by and among the Company, the Subsidiary, and Storm Merger Sub, Inc., a Texas corporation and a wholly-owned subsidiary of the Company, dated as of November 2, 2000 (the "Merger Agreement"), or the meaning set forth in Section 7 hereof.

1. Grant of Award. This is an Award Agreement (as defined in the Company's 2000 Retention Plan (the "Plan")). Pursuant to the Plan the Company hereby grants to you, the Participant, subject to the consummation of the Merger (as defined in the Merger Agreement), an award (the "Award") of [] shares (the "Retention Shares"), of the Company's common stock, par value \$0.001 per share (the "Stock"). The Retention Shares shall be subject to the vesting conditions set forth in Section 2.

2. Vesting of Award. The Retention Shares shall vest and become free of restrictions (with the actual number of vested Retention Shares to be determined in accordance with Section 2(b) below) effective as of January 1, 2003 (the "Vesting Date"), provided the Participant has remained employed with the Company or the Subsidiary at all times between the Grant Date and the Vesting Date (the "Service Requirement"):

- (a) Notwithstanding the foregoing, the Service Requirement shall be deemed satisfied in the event that prior to the Vesting Date, the Participant's employment is terminated (a) by the Company without Cause (as defined below) or by the Participant for Good Reason (as defined in the Employment Agreement by and among the Company, the Subsidiary and the Participant, dated as of November 2, 2000 (the "Employment Agreement", notwithstanding whether the term of such Employment Agreement has expired), or (b) due to death or Disability (as defined below).
- (b) Subject to satisfaction of the Service Requirement, the number of Retention Shares that will vest is determined by multiplying (x) the aggregate number of Retention Shares awarded to the Participant, by (y) a fraction, (1) the numerator of which is the total number of Earn-out Shares distributed to the Subsidiary's former stockholders pursuant to the Contingency Escrow Agreement prior to, on or after December 31, 2002 (including due to the release of the Earn-out Shares from the Earn-out Escrow upon a "Change-in-Control" (as defined in the Contingency Escrow Agreement) or a breach of the Management Covenants set forth in Section 10.8 of the Merger Agreement), and (2) the denominator of which is 4,200,000.

Upon a Change-in-Control, all Retention Shares shall be vested in the event the Service Requirement is satisfied by the Participant.

3. Forfeiture. Unless such Retention Shares have already vested in accordance with Section 2, in the event the Participant's employment with the Company or the Subsidiary terminates for a reason other than a reason set forth in Section 2(a), the Participant shall immediately forfeit all of the Retention Shares and the Award shall be null and void, with all of the Retention Shares being available for regrant in accordance with the Plan. Employment with an Affiliate of the Company or the Subsidiary shall be treated as continued employment with the Company or the Subsidiary.

4. Transfer of Award. The Participant may not transfer the Award at any time. The Participant may not transfer any Retention Shares prior to the full vesting of such Retention Shares.

5. Incorporation of Plan Terms. The Retention Shares are granted subject to all of the applicable terms and provisions of the Plan.

6. Miscellaneous. This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, without regard to the conflict of laws principles thereof and shall be binding upon and inure to the benefit of any successor or assign of the Company and any executor, administrator, trustee, guardian, or other legal representative of the Participant. This Agreement may be executed in one or more counterparts all of which together shall constitute but one instrument.

7. Definitions. As used herein, the following terms shall be defined as follows:

"Cause" shall mean: (1) the failure of the Participant to perform substantially the Participant's duties with the Company or the Subsidiary (other than any such failure resulting from incapacity due to Disability), after a written demand for substantial performance is delivered to the Participant by the Company or the Subsidiary that specifically identifies the manner in which the Company believes that the Participant has not substantially performed his or her duties, which is not cured within 30 days following the Participant's receipt of such written demand, (2) the engaging by the Participant in illegal conduct or gross misconduct (including, without limitation, fraud, embezzlement or misappropriation) that is injurious to the Company or the Subsidiary or (3) conviction of a felony or guilty or nolo contendere plea by the Participant with respect to a felony the definition of Cause set forth in the Employment Agreement, notwithstanding whether the term of such employment agreement has expired.

"Disability" shall mean the Participant's long-term disability as defined in the long-term disability plan in which the Participant participated the definition of Disability set forth in the Employment Agreement, notwithstanding whether the term of such employment agreement has expired.

"Contingency Escrow Agreement" shall mean that certain Escrow Agreement, by and among the Company, the Subsidiary, the Stockholder Representatives named

therein and the Escrow Agent, dated as of November 2, 2000, and entered into pursuant to Section 3.3(a) of the Merger Agreement.

"Earn-out Shares" shall mean those 4,200,000 shares of Stock designated as "First Release Shares," "Second Release Shares" and "Third Release Shares" under the Contingency Escrow Agreement in the aggregate.

8. Tax Consequences. The Company makes no representation or warranty as to the tax treatment to you of your receipt of this Award or upon your sale or other disposition of the Awarded Shares. You should rely on your own tax advisors for such advice.

9. Issuance of Shares. Upon satisfaction of the vesting conditions described in Section 2 hereof, the Company shall deliver to you the number of shares of Common Stock equal to the vested Retention Shares.

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IN WITNESS WHEREOF, the parties have executed this Agreement as a sealed instrument as of the date first above written.

SONUS NETWORKS, INC.

By: _____
Title: _____

Signature of Participant

Name of Participant

Participant's Address:

