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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **January 2, 2014**

SONUS NETWORKS, INC.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction
of Incorporation)

001-34115
(Commission File Number)

04-3387074
(IRS Employer
Identification No.)

4 TECHNOLOGY PARK DRIVE, WESTFORD, MASSACHUSETTS 01886
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(978) 614-8100**

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

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

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

Amendment to Dolan Employment Agreement. On January 2, 2014, Sonus Networks, Inc. (the "Company") and Raymond P. Dolan, the Company's President and Chief Executive Officer, executed a letter agreement (the "Dolan Amendment"), amending the terms and conditions of Mr. Dolan's employment as set forth in the October 8, 2010 letter (as previously amended by the letters dated February 14, 2011, August 7, 2012, February 15, 2013, and March 28, 2013, collectively, the "Dolan Agreement").

Under the terms of the Dolan Amendment, Mr. Dolan elected to accept shares of restricted stock (the "2014 Dolan Salary Shares") in lieu of base salary for the period from January 1, 2014 through December 31, 2014. In accordance with the terms of the Dolan Amendment, on January 2, 2014, the Company granted Mr. Dolan 243,507 shares of restricted stock, such number of shares calculated by dividing 1.5 times his base salary for the period from January 1, 2014 through December 31, 2014 by \$3.08, the closing price of the Company's common stock on the grant date. The 2014 Dolan Salary Shares will vest on December 31, 2014. If Mr. Dolan's employment is terminated by Mr. Dolan with Good Reason (as defined in the Dolan Agreement) or by the Company without Cause (as defined in the Dolan Agreement) before December 31, 2014, a pro rata portion of the 2014 Dolan Salary Shares will vest on the date of such termination. If Mr. Dolan terminates his employment without Good Reason or his employment is terminated by the Company for Cause before December 31, 2014, he will forfeit the 2014 Dolan Salary Shares. Additionally, for the 2014 fiscal year during which Mr. Dolan is employed by the Company, the Company will pay Mr. Dolan's share of the insurance premium relating to the benefit plans generally provided to employees of the Company in accordance with Company policy, currently including group health, life and dental insurance.

The foregoing summary is qualified in its entirety by reference to the Dolan Amendment, which is attached as Exhibit 10.1 to this Current Report on Form 8-K.

Common Stock to be Issued in Lieu of 2014 Annual Cash Bonus Program. Also on January 2, 2014, the Company and each of Mr. Dolan; Mark Greenquist, the Company's Chief Financial Officer; Todd Abbott, the Company's Executive Vice President of Strategy and Go-to-Market; and Anthony Scarfo, the Company's Executive Vice President of Technology and Business Development (collectively, the "Named Executive Officers"), executed a letter agreement (each, an "Agreement" and collectively, the "Agreements").

Under the terms of the Agreements, the Named Executive Officers were given the choice to receive all or half of their fiscal year 2014 bonuses (“2014 Bonus”), if any are earned, in the form of shares of the Company’s common stock (the “2014 Bonus Shares”). Each Named Executive Officer also could have elected not to participate in this program and to earn his 2014 Bonus, if any, in the form of cash. The amount of the 2014 Bonus, if any, for each Named Executive Officer shall be determined by the Compensation Committee (the “Compensation Committee”) of the Board of Directors of the Company in its sole discretion subject to the terms of the Senior Management Cash Incentive Plan. If a Named Executive Officer elects to receive his 2014 Bonus entirely in the form of shares of the Company’s common stock, the number of 2014 Bonus Shares granted will equal 1.5 times that Named Executive Officer’s actual 2014 Bonus earned, if any, divided by the closing price of the Company’s common stock on January 2, 2014. If the Named Executive Officer elects to receive one-half of his 2014 Bonus in the form of shares of common stock and the other half in the form of cash, (i) the number of 2014 Bonus Shares granted will be one-half the amount described in the preceding sentence; and (ii) he will receive 50% of his 2014 Bonus in cash on a date concurrent with the timing of normal 2014 bonus

payouts. The 2014 Bonus Shares (if any are granted) will be granted on a date concurrent with the timing of normal 2014 bonus payouts and will be fully vested as of such grant date. The Company will offset the number of shares necessary to pay withholding taxes and deposit the balance of the 2014 Bonus Shares in each Named Executive Officer’s account. Each Named Executive Officer agreed not to sell or otherwise dispose of the 2014 Bonus Shares until the first anniversary of the grant date. This contractual holding period may be waived by the Compensation Committee in its sole discretion, upon the Named Executive Officer’s death or disability or upon a showing of undue hardship. The Named Executive Officer must be employed on the grant date for the 2014 Bonus Shares (if any are granted) to be eligible to receive such shares.

The Agreements also state that the Compensation Committee retains the right, in its sole discretion, to pay each Named Executive Officer’s 2014 Bonus in cash as opposed to payment in 2014 Bonus Shares. If the Company is the subject of an acquisition or change of control prior to the grant date, and if the Compensation Committee of the Company or its successor elects to pay the 2014 Bonus, if any, in cash, such cash payment will equal the economic equivalent of the 2014 Bonus Shares that otherwise would have been received, so that the intent of this election is preserved.

The Agreements only apply to the fiscal year 2014 Bonus.

The foregoing summary is qualified in its entirety by reference to the Agreements, in the form attached hereto as Exhibit 10.2 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Amendment to Employment Agreement between Sonus Networks, Inc. and Raymond P. Dolan, accepted January 2, 2014.
- 10.2 Form of Letter Agreement between Sonus Networks, Inc. and each of Raymond P. Dolan, Mark Greenquist, Todd Abbott, and Anthony Scarfo.

SIGNATURE

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

Date: January 6, 2014

SONUS NETWORKS, INC.

By:

/s/ Jeffrey M. Snider

Jeffrey M. Snider

Senior Vice President, Chief Administrative Officer,
General Counsel and Secretary

Exhibit Index

- 10.1 Amendment to Employment Agreement between Sonus Networks, Inc. and Raymond P. Dolan, accepted January 2, 2014.
- 10.2 Form of Letter Agreement between Sonus Networks, Inc. and each of Raymond P. Dolan, Mark Greenquist, Todd Abbott, and Anthony Scarfo.

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

December 27, 2013

Mr. Raymond P. Dolan
By electronic delivery

Dear Ray:

Based on your desire to demonstrate your support for the Company and its prospects, the Compensation Committee has considered and will agree to your request to amend your October 8, 2010 employment letter (as previously amended by letters dated February 14, 2011, August 7, 2012, February 15, 2013 and March 28, 2013, your “Agreement”) outlining the terms and conditions of your employment by Sonus Networks, Inc. is hereby amended as follows:

You have elected, in lieu of your Base Salary from January 1, 2014 through December 31, 2014, to accept shares of restricted stock (“2014 Salary Shares”), which will vest on December 31, 2014. The 2014 Salary Shares will be granted on January 2, 2014 and the number of 2014 Salary Shares granted will equal 1.5 times your Base Salary for the year divided by the closing price of the Company’s shares, both as of the date of grant. If, before December 31, 2014, your employment is terminated by you with Good Reason or by the Company without Cause, a pro rata portion of the 2014 Salary Shares will vest on the date of such termination. If, before December 31, 2014, your employment is terminated by you without Good Reason or by the Company for Cause, you will forfeit the 2014 Salary Shares.

Except as modified by the terms of this letter, the terms of the Agreement will remain in full force and effect. Capitalized terms not defined in this letter have the same definitions given to them in the Agreement.

Very truly yours,

/s/ John Schofield

John Schofield
Chair, Compensation Committee

ACCEPTED:

/s/ Raymond P. Dolan	01/02/2014
Raymond P. Dolan	Date

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

December 27, 2013

[Name of Executive]
By *electronic delivery*

Dear [Name]:

Based on your desire to demonstrate your support for Sonus Networks, Inc. (the "Company") and its prospects, the Compensation Committee has considered and will agree to your request to forgo the payment of all or half of your cash bonus for 2014 and, if any such bonus would have been earned, to instead accept a grant of shares of the Company's common stock.

You have elected to receive all or half (please indicate below and initial your election) of your fiscal year 2014 bonus ("2014 Bonus"), if any is earned, in the form of shares of the Company's common stock ("2014 Bonus Shares"), which will be granted and have the terms described below:

☐ 100% stock ☐ 50% stock and 50% cash Initials:

- a. If you elect to receive your 2014 Bonus entirely in the form of shares of common stock, the number of 2014 Bonus Shares granted will equal 1.5 times your actual 2014 Bonus earned, which bonus shall be determined by the Compensation Committee in its sole discretion subject to the terms of the 2014 bonus program, divided by the closing price of the Company's shares on January 2, 2014. If you elect to receive one-half your 2014 Bonus in the form of shares of common stock and the other half in the form of cash, (i) the number of 2014 Bonus Shares granted will be one-half the amount described in the preceding sentence; and (ii) you will receive 50% of your 2014 Bonus in cash on a date concurrent with the timing of normal 2014 bonus payouts.
- b. The 2014 Bonus Shares will be granted and vest in full on the grant date, which shall be concurrent with the timing of normal 2014 bonus payouts. The Company will offset the number of shares necessary to pay withholding taxes and deposit the balance of the 2014 Bonus Shares in your account.
- c. You hereby agree not to sell or otherwise dispose of the 2014 Bonus Shares until the first anniversary of the date of grant. Such contractual holding period may be waived by the Compensation Committee in its sole discretion, upon your death or disability or upon a showing of undue hardship.

You must remain an employee of the Company on the grant date in order to receive the 2014 Bonus Shares (if earned). The parties hereby acknowledge that the Compensation Committee retains the right, in its sole discretion, to pay your 2014 Bonus in cash pursuant to the terms of your Agreement as opposed to payment in 2014 Bonus Shares; provided that, if the Company is the subject of an acquisition or change of control prior to the grant date and if the Compensation Committee of the Company (or its successor) elects to pay the 2014 Bonus, if any, in cash, such cash payment will equal the economic equivalent of the 2014 Bonus Shares that otherwise would have been received, so that the intent of this election is preserved.

Very truly yours,

Raymond P. Dolan, President
and Chief Executive Officer

ACCEPTED:

Name:

Date: