RIBBON COMMUNICATIONS INC.

FORM 8-K
(Current report filing)

Filed 06/28/18 for the Period Ending 06/24/18

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CIK	0001708055
SIC Code	7373 - Services-Computer Integrated Systems Design
Fiscal Year	12/31

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

June 24, 2018
Date of Report (Date of earliest event reported)

RIBBON COMMUNICATIONS INC.
(Exact Name of Registrant as Specified in its Charter)

DELAWARE	**001-38267**	**82-1669692**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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

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

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

Merger Agreement

On June 24, 2018, Ribbon Communications Inc. (" Ribbon ") entered into an agreement and plan of merger (the " Merger Agreement ") with Kansas Merger Sub, Inc., a Delaware corporation and a direct wholly-owned subsidiary of Ribbon (" Merger Sub "), Edgewater Networks, Inc., a Delaware corporation (" Edgewater "), and Shareholder Representative Services LLC, a Colorado limited liability company, solely in its capacity as the initial holder representative, pursuant to which Merger Sub will merge with and into Edgewater, with Edgewater surviving such merger as a wholly-owned subsidiary of Ribbon (such merger, the " Merger ").

The Boards of Directors of Ribbon and Edgewater have unanimously approved the Merger Agreement and the transactions contemplated thereby.

The consideration to be delivered by Ribbon to the holders of common stock (" Edgewater Common Stock ") and preferred stock (" Edgewater Preferred Stock ", and, together with the Edgewater Common Stock, the " Edgewater Company Stock ") of Edgewater, holders of in-the-money warrants to acquire Edgewater Company Stock (" Company Warrants " and such holders of Company Warrants, " Company Warrantholders ") and holders of vested, in-the-money options to acquire Edgewater Common Stock (" Vested Options " and such holders of Vested Options, " Vested Optionholders ") (the holders of Edgewater Company Stock, the Company Warrantholders and the Vested Optionholders, collectively, the " Pre-Closing Holders ") pursuant to the Merger consists of the following (collectively, the " Merger Consideration "):

- *Closing Cash Consideration* . At the closing of the transactions contemplated by the Merger Agreement (the " Closing "), Ribbon has agreed to pay the Pre-Closing Holders an amount in cash equal to $50 million, subject to adjustment based on (i) the amount of net working capital that Edgewater has at the Closing as compared to expected Closing date net working capital of $2.7 million and (ii) net debt of approximately $4.1 million (such adjustment, the " Purchase Price Adjustment ").

- *Stock Consideration* . At the Closing, Ribbon has agreed to deliver to the Pre-Closing Holders $30 million in shares of Ribbon common stock, provided that in no event will the number of shares issued exceed 5.2 million shares.

- *Deferred Cash Consideration.* Six months following the Closing, Ribbon has agreed to pay the Pre-Closing Holders an additional $15 million in cash. As early as nine months following the Closing and no later than eighteen months following the Closing (the timing of which will depend on the amount of revenue generated from the sales of Edgewater products in 2018), Ribbon has agreed to pay the Pre-Closing Holders an additional $15 million in cash.

The Merger Consideration will be allocated, first, among the Pre-Closing Holders holding Edgewater Preferred Stock or Company Warrants in accordance with the liquidation preference associated with each share of Edgewater Preferred Stock. Thereafter, the remaining Merger Consideration will be allocated to all of the Pre-Closing Holders on a *pro rata* basis according to their holdings of Edgewater Company Stock (including Edgewater Common Stock and Edgewater Preferred Stock on an as-converted-to-Edgewater Common Stock basis and taking into account the Edgewater Company Stock subject to Company Warrants and Vested Options) as of immediately prior to the Effective Time, with the Company Warrantholders and Vested Optionholders' allocations reduced by any applicable exercise price. The payment of Closing Cash Consideration and Stock Consideration will be allocated pursuant to the Merger Agreement such that Pre-Closing Holders who are not "Accredited Investors" and Vested Optionholders will not receive Stock Consideration. The Deferred Cash Consideration will be subject to certain rights of set-off in the event that Edgewater breaches certain fundamental representations and warranties and pre-closing covenants under the Merger Agreement. Ribbon has also obtained a representations and warranties insurance policy upon customary terms.

The Merger Agreement provides that all Company Warrants and Vested Options will be cancelled at the Effective Time in exchange for the payments described above. Each unvested, in-the-money option to acquire Edgewater Common Stock (other than unvested performance-vesting options) will be assumed by Ribbon and converted into an option to buy a number of shares of Ribbon common stock determined in accordance

with the provisions of the Merger Agreement. All unvested, underwater options and unvested performance-vesting options to acquire Edgewater Common Stock will be cancelled in connection with the Merger.

The Merger is expected to close in the third quarter of 2018. The consummation of the Merger is subject to customary closing conditions, including, among others, (i) the absence of any law or order that is in force and restrains, enjoins or otherwise prohibits the Merger, (ii) the expiration or termination of the applicable waiting period under the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended (the " HSR Act "), (iii) the approval of the Merger Agreement from at least two-thirds of all of the Pre-Closing Holders and from at least two-thirds of the holders of Edgewater Preferred Stock (which has been received) and (iv) the shares of common stock of Ribbon to be issued in the Merger being approved for listing on the Nasdaq Global Market.

The Merger Agreement generally requires each party to use its reasonable best efforts and to take all reasonably necessary steps to obtain termination or expiration of the waiting period under the HSR Act as soon as practicable.

The Merger Agreement contains certain termination rights for both Ribbon and Edgewater, including in the event that the Merger is not completed on or before August 23, 2018; provided that if all the conditions to closing other than the required regulatory approvals have been satisfied or waived, then such date may be extended for an additional thirty calendar days, to a date not beyond September 22, 2018.

The Merger Agreement contains customary representations and warranties of Ribbon, Merger Sub and Edgewater, including, without limitation, as to corporate organization, due authorization, litigation and proceedings, governmental consents, and brokers' fees. Edgewater also makes further representations regarding business and operational matters, including, without limitation, as to its financial statements, material contracts, benefit plans, real and intellectual property, data privacy, affiliate matters, environmental matters, compliance with laws and anti-bribery and export control matters. The Merger Agreement also contains covenants and other terms, provisions and conditions that the parties made to each other as of specific dates.

The assertions embodied in the foregoing terms were made solely for purposes of the Merger Agreement, and may be subject to qualifications and limitations agreed to by the parties in connection with negotiating their respective terms. Moreover, they may be subject to a contractual standard of materiality that may be different from what may be viewed as material to stockholders, or may have been used for the purpose of allocating risk between the parties rather than establishing matters as facts. For the foregoing reasons, no person should rely on such representations, warranties, covenants or other terms, provisions or conditions as statements of factual information at the time they were made or otherwise.

Ribbon and Edgewater have agreed to various covenants and agreements, including, among others, agreements from Edgewater that it will conduct its business in the ordinary course during the period prior to the Closing, that it will not engage in certain kinds of transactions during this period, and that it will take commercially reasonable efforts to seek certain approvals from contractual counterparties.

The Directors and Officers of Edgewater will be replaced by the Directors and Officers of Merger Sub simultaneously with the Closing.

Voting and Support Agreements

Simultaneously with the execution of the Merger Agreement, Ribbon and Merger Sub entered into separate voting and support agreements with shareholders holding two-thirds of the Edgewater Preferred Stock and two-thirds of the Edgewater Company Stock (collectively, the " Voting and Support Agreements "), pursuant to which each such shareholder has agreed, among other things, to vote the shares of Edgewater Company Stock owned beneficially or of record by such shareholder in favor of (A) the Merger Agreement and approval of the Merger, (B) each of the actions contemplated by the Merger and in respect of which approval of the Pre-Closing Holders is requested and (C) any proposal or action in respect of which approval of the Pre-Closing Holders is requested that could reasonably expected to facilitate the Merger and the other actions contemplated by the Merger Agreement. In addition, each such shareholder has agreed to vote against any proposal made in competition with the Merger Agreement or the consummation of the Merger, as well as to certain other restrictions with respect to the voting and transfer of such shareholder's shares of Edgewater Company Stock.

Lock-Up Agreements

The terms of the Merger Agreement require each Pre-Closing Holder that is to receive shares of Ribbon common stock in connection with the Merger to enter into a lock-up agreement providing, among other things and subject to customary exceptions, that such stockholder or warrant holder shall not and shall not agree, in each case with respect to any shares of Ribbon common stock received by it in connection with the Merger, to (i) transfer, sell, assign, convey, pledge, hypothecate, encumber, swap, hedge, short sell, (ii) establish or increase any "put equivalent position", or liquidate or decrease a "call equivalent position" in Ribbon common stock within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended, and rules promulgated thereunder or (iii) otherwise transfer or agree to transfer to another any of the economic consequences of ownership or otherwise dispose of shares. The lock-up shall apply for a period of six months.

Amendment to Credit Agreement

On June 24, 2018, Ribbon entered into the First Amendment to that certain Senior Secured Credit Facilities Agreement (the " Credit Agreement Amendment "), by and among Ribbon, as a guarantor, Sonus Networks, Inc., as the borrower, the guarantors party thereto, the lenders identified on the signature pages thereto, and Silicon Valley Bank, as administrative agent, issuing lender and swingline lender thereunder. The Credit Agreement Amendment amends certain provisions of Ribbon's existing Credit Agreement, dated as of December 21, 2017 (the " Existing Credit Agreement "), to, among other things, (a) amend a financial covenant set forth therein, (b) make certain changes to permit the Merger and the other transactions contemplated by the Merger Agreement, and (c) amend certain financial terms set forth in the Credit Agreement. The effectiveness of the Credit Agreement Amendment is conditioned upon satisfaction or waiver of certain conditions precedent set forth therein, each of which is expected to be satisfied on or prior to consummation of the Merger.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The disclosures of the material terms and conditions of the Credit Agreement Amendment contained in Item 1.01 above are hereby incorporated into this Item 2.03 by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

10.1	First Amendment, dated as of June 24, 2018, to the Credit Agreement, dated as of December 21, 2017, by and among Ribbon Communications Inc., as a Guarantor, Sonus Networks, Inc., as the Borrower, the other guarantors party thereto, Silicon Valley Bank, as Administrative Agent, Issuing Lender, Swingline Lender and Lead Arranger, and the other lenders party thereto.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Current Report on Form 8-K includes statements which may constitute forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 including, but not limited to, statements regarding the financing for and potential closing of the Merger, the accuracy of which are necessarily subject to risks, uncertainties, and assumptions as to future events that may not prove to be accurate. All statements contained in this Form 8-K that do not relate to matters of historical fact should be considered forward looking statements, and are generally identified by words such as "expect," "intend," "anticipate," "estimate," "believe," "future," "could," "should," "plan," "aim," and other similar expressions. Important factors that could cause actual results to differ materially from those expressed or implied include without limitation general economic conditions, the risk that we may not be able to close the Merger in the time frame expected or at all, the risk that we will not be able to finance the Merger and the important factors discussed in our most recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. Ribbon undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities law. These forward-looking statements are neither promises nor guarantees, but involve risks and uncertainties that may cause actual results to differ materially from those contained in the forward-looking statements. Our actual results could differ materially from those anticipated in these

forward-looking statements for many reasons. Forward looking statements are based on Ribbon's beliefs and assumptions and on information currently available to Ribbon. Ribbon disclaims any obligation to update any forward-looking statements as a result of developments occurring after the date of this Form 8-K except as required by law.

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: June 28, 2018

RIBBON COMMUNICATIONS INC.

By: /s/ Justin K. Ferguson
Justin K. Ferguson
Executive Vice President and General Counsel

Exhibit 10.1

FIRST AMENDMENT TO CREDIT AGREEMENT

This First Amendment to Credit Agreement (this " ***Amendment*** ") is made effective as of this 24 th day of June, 2018 (the " ***First Amendment Effective Date*** "), by and among **RIBBON COMMUNICATIONS INC.** , a Delaware corporation (" ***Holdings*** "), **SONUS NETWORKS, INC.** , a Delaware corporation (the " ***Borrower*** "), the Guarantors party hereto, the lenders identified on the signature pages hereto (the " ***Lenders*** "), **SILICON VALLEY BANK** (" ***SVB*** "), as administrative agent (in such capacity, the " ***Administrative Agent*** "), and ***SVB*** , as Issuing Lender and Swingline Lender.

In consideration of the mutual covenants herein contained and benefits to be derived herefrom:

WITNESSETH :

WHEREAS, reference is made to that certain Credit Agreement dated as of December 21, 2017 (as amended, amended and restated, supplemented, restructured or otherwise modified, renewed or replaced from time to time, the " ***Credit Agreement*** "), by and among, Holdings, the Borrower, the Lenders, the Issuing Lender and the Administrative Agent. All capitalized terms used herein and not otherwise defined herein, shall have the meanings assigned to such terms in the Credit Agreement;

WHEREAS, the parties to the Credit Agreement have agreed to modify and amend certain terms and conditions of the Credit Agreement, subject to the terms and conditions of this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Amendments to Section 1.1 of the Credit Agreement .

a. Immediately following the consummation of the Edgewater Acquisition, the last sentence of the definition of "Consolidated Adjusted EBITDA" shall automatically be amended and restated as follows:

"Notwithstanding the foregoing, (i) for any twelve-month period ending after September 30, 2017, the aggregate amount of all addbacks pursuant to clauses (b)(vii), (b)(viii), (b)(ix), (b)(x), (b)(xiii), and (b)(xiv) shall not exceed the higher of (A) $5,000,000 (or $8,000,000 for the twelve month periods ending September 30, 2018 and December 31, 2018) and (B) 10% of Consolidated Adjusted EBITDA (calculated prior to giving effect to any of the add-backs described in this sentence) (such limit, the "10% Cap"), and (ii) Consolidated Adjusted EBITDA for the fiscal quarter ending (A) March 31, 2017 shall be deemed to be ($11,070,000), (B) June 30, 2017, shall be deemed to be $2,984,000, and (C) September 30, 2017 shall be deemed to be $19,835,000, and (D) December 31, 2017 shall be calculated (x) for October 2017, based on the Borrower and its Subsidiaries and GENBAND Holdings and its Subsidiaries in a manner consistent with the methodology set forth in clauses (A) through (C) immediately above and

(y) based on November 2017 and December 2017 for Holdings and its Subsidiaries."

b. The definition of "Specified Swap Agreement" is hereby amended by deleting "in respect of interest rates."

c. The following new definitions are hereby added to Section 1.1 of the Credit Agreement in the appropriate alphabetical order:

"" ***Edgewater Acquisition*** ": the acquisition by the Borrower of 100% of the Capital Stock of Edgewater Networks, Inc. and its Subsidiaries pursuant to the Edgewater Acquisition Documents, without any amendment thereto or waiver of any conditions therein that could reasonably be expected to be materially adverse to the interests of the Secured Parties.

"" ***Edgewater Acquisition Documents*** ": the Agreement and Plan of Merger dated as of June 24, 2018 by and among Holdings, Kansas Merger Sub, Inc., Edgewater Networks, Inc. and Shareholder Representative Services LLC, as the initial Holder Representative, and the other material documents and agreements entered into in connection therewith."

2. Amendments to Section 7.1 of the Credit Agreement . Section 7.1(c) of the Credit Agreement is hereby amended by adding the following proviso to the end thereof:

" provided that, immediately following the consummation of the Edgewater Acquisition, the table above shall be automatically superseded by the following table:

Four Fiscal Quarter Period Ending	Maximum Consolidated Leverage Ratio
December 31, 2017	2.75:1.00
March 31, 2018	2.50:1.00
June 30, 2018	2.50:1.00
September 30, 2018	3.50:1.00
December 31, 2018	2.50:1.00
March 31, 2019	2.50:1.00
June 30, 2019	2.50:1.00
September 30, 2019 and each fiscal quarter ending thereafter	2.00:1.00".

3. Amendments to Section 7.3(l) of the Credit Agreement . Section 7.3(l) of the Credit Agreement is hereby amended by deleting "3,500,000" and inserting "$7,000,000" in lieu thereof.

4. Amendments to Section 7.8(n)(xii) of the Credit Agreement . Section 7.8(n)(xii) of the Credit Agreement is hereby amended by inserting the following proviso to the end thereof:

"; provided that the cash consideration payable in connection with the Edgewater Acquisition shall be excluded from the limitations set forth in clauses (A) and (B) above so long as the total cash consideration (including Deferred Payment Obligations, but excluding working capital adjustments in accordance with the terms of the Edgewater Acquisition Documents) in respect thereof does not exceed $50,000,000 on the closing date of the Edgewater Acquisition and $30,000,000 in deferred cash consideration (it being agreed that nothing contained herein shall be deemed to be a consent to the Edgewater Acquisition);".

5. Conditions Precedent to Effectiveness. This Amendment shall not be effective until each of the following conditions precedent has been fulfilled to the satisfaction of the Administrative Agent:

a. This Amendment shall have been duly executed and delivered by the respective parties hereto.

b. All necessary consents and approvals to authorize this Amendment shall have been obtained by the applicable Loan Parties.

c. The Administrative Agent shall have received, for the benefit of the Lenders, a fee in the aggregate amount of 0.25% of the aggregate amount of the Total Commitments, which fee shall be fully earned when paid and shall not be refundable under any circumstances.

d. No Default or Event of Default shall have occurred and be continuing immediately after giving effect to this Amendment.

e. After giving effect to this Amendment, the representations and warranties herein and in the Credit Agreement and the other Loan Documents shall be, (i) to the extent qualified by materiality, true and correct in all respects, and (ii) to the extent not qualified by materiality, true and correct in all material respects, in each case, on and as of the date hereof, as though made on and as of such date (except to the extent that such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all respects or all material respects, as applicable, as of such earlier date).

f. As of the First Amendment Effective Date, there shall not have occurred since December 31, 2017, any event or condition that has had or could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

g. As of the First Amendment Effective Date, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of any Group Member, threatened, that could reasonably be expected to have a Material Adverse Effect.

h. The Administrative Agent shall have received a true and complete copy of the Edgewater Acquisition Documents, which shall be in form and substance reasonably satisfactory to the Administrative Agent.

6. Representations and Warranties . Each Loan Party hereby represents and warrants to the Administrative Agent and the Lenders as follows:

a. This Amendment is, when executed and delivered by each Loan Party (or acknowledged by such Loan Party, as applicable), the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally.

b. The representations and warranties set forth in this Amendment, the Credit Agreement, as amended by this Amendment and after giving effect hereto, and the other Loan Documents (including the Guarantee and Collateral Agreement) to which it is a party are, (i) to the extent qualified by materiality, true and correct in all respects, and (ii) to the extent not qualified by materiality, true and correct in all material respects, in each case, on and as of the date hereof, as though made on such date (except to the extent that such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all respects or all material respects, as applicable, as of such earlier date).

c. The execution, delivery, and performance of this Amendment (i) have been duly authorized by all necessary organizational or other corporate action of the Loan Parties, and (ii) do not and will not (A) violate any material Requirement of Law binding on any Group Member, (B) violate any material Contractual Obligation of any Group Member, except to the extent that any such violation would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect, (C) result in, or require, the creation or imposition of any Lien upon any properties or assets of any Group Member other than Liens created by the Security Documents and Liens permitted under the Credit Agreement, or (D) require any approval of any Group Member's interestholders or any approval or consent of any Person under any material Contractual Obligation of any Group Member, other than consents or approvals that have been obtained or made and that are still in force and effect and except, in the case of material Contractual Obligations, for consents or approvals, the failure of which to obtain would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect on the Group Members.

7. Choice of Law; Submission to Jurisdiction . This Amendment and the rights of the parties hereunder, shall be determined under, governed by, and construed in accordance with the laws of the State of New York. Section 10.14 of the Credit Agreement is hereby incorporated by reference.

8. Counterpart Execution . This Amendment may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Amendment by signing any such counterpart. Delivery of an executed counterpart of this Amendment by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Amendment. Any party delivering an executed counterpart of this Amendment by

telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Amendment, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment.

9. Effect on Loan Documents .

a. The Credit Agreement, as amended hereby, and each of the other Loan Documents shall be and remain in full force and effect in accordance with their respective terms and hereby are ratified and confirmed in all respects. The execution, delivery, and performance of this Amendment shall not operate, except as expressly set forth herein, as a modification or waiver of any right, power, or remedy of the Administrative Agent or any Lender under the Credit Agreement or any other Loan Document. Except as expressly set forth herein, this Amendment shall not excuse any non-compliance with the Loan Documents, nor operate as a consent or waiver to any matter under the Loan Documents. Except for the amendments to the Credit Agreement expressly set forth herein, the Credit Agreement and other Loan Documents shall remain unchanged and in full force and effect. To the extent any terms or provisions of this Amendment conflict with those of the Credit Agreement or other Loan Documents, the terms and provisions of this Amendment shall control.

b. To the extent that any terms and conditions in any of the Loan Documents shall contradict or be in conflict with any terms or conditions of the Credit Agreement, after giving effect to this Amendment, such terms and conditions are hereby deemed modified or amended accordingly to reflect the terms and conditions of the Credit Agreement, as modified or amended hereby.

c. This Amendment is a Loan Document.

10. Payment of Costs and Fees . The Borrower shall pay to the Administrative Agent all costs and all reasonable out-of-pocket expenses in connection with the preparation, negotiation, execution and delivery of this Amendment and any documents and instruments relating hereto (which costs include, without limitation, the reasonable fees and expenses of outside counsel retained by Administrative Agent), in each case, as set forth in Section 10.5 of the Credit Agreement.

11. Acknowledgement of Obligations . The Loan Parties acknowledge that on and as of the First Amendment Effective Date, all Obligations are payable without defense, offset, counterclaim or recoupment. Each of the Loan Parties, the Administrative Agent, the Issuing Lender and Swingline Lender and each other Lender party hereto does hereby adopt, ratify, and confirm the Credit Agreement, as amended hereby, and acknowledges and agrees that the Credit Agreement, as amended hereby, is and remains in full force and effect, and the Borrower acknowledges and agrees that their Obligations under the Credit Agreement, as amended hereby, are not impaired in any respect by this Amendment.

12. Entire Agreement . This Amendment, and terms and provisions hereof, the Credit Agreement and the other Loan Documents constitute the entire understanding and agreement among the parties hereto with respect to the subject matter hereof and supersedes any and all prior or contemporaneous amendments or understandings with respect to the subject matter hereof, whether express or implied, oral or written.

13. Reaffirmation . Each Loan Party hereby reaffirms its obligations under each Loan Document to which it is a party. Each Loan Party hereby further ratifies and reaffirms the validity and enforceability (except as enforceability may be limited by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and general principles of equity) of all of the Liens heretofore granted, pursuant to and in connection with the Guaranty and Collateral Agreement or any other Loan Document to the Administrative Agent on behalf and for the benefit of Secured Parties, as collateral security for the obligations under the Loan Documents (including such obligations as amended hereby) in accordance with their respective terms, and acknowledges that all of such Liens, and all collateral heretofore pledged as security for such obligations, continues to be and remain collateral for such obligations from and after the date hereof.

14. Severability . In case any provision in this Amendment shall be invalid, illegal or unenforceable, such provision shall be severable from the remainder of this Amendment and the validity, legality and enforceability of the remaining provisions of this Amendment shall not in any way be affected or impaired thereby.

[*Signature pages follow*]

IN WITNESS WHEREOF, each of the undersigned has caused this First Amendment to Credit Agreement to be duly executed and delivered by its proper and duly authorized officer as of the date set forth below.

LOAN PARTIES :

RIBBON COMMUNICATIONS INC. ,
as Holdings

By: /s/ Daryl E. Raiford
Name: Daryl E. Raiford
Title: Executive Vice President & Chief Financial Officer

SONUS NETWORKS, INC. ,
as Borrower

By: /s/ Daryl E. Raiford
Name: Daryl E. Raiford
Title: President & Secretary

GENBAND US LLC ,
as a Guarantor

By: /s/ Daryl E. Raiford
Name: Daryl E. Raiford
Title: President & Chief Executive Officer

ADMINISTRATIVE AGENT :

SILICON VALLEY BANK

By: /s/ Ryan Thompson
Name: Ryan Thompson
Title: Vice President

LENDERS :

SILICON VALLEY BANK ,
as Issuing Lender, Swingline Lender and as a Lender

By: /s/ Ryan Thompson
Name: Ryan Thompson
Title: Vice President

PACIFIC WESTERN BANK ,
as a Lender

By: /s/ Stephen J. Besus
Name: Stephen J. Besus
Title: Senior Vice President

CADENCE BANK, N.A. ,
as a Lender

By: /s/ Henry Farley
Name: Henry Farley
Title: Vice President

JPMORGAN CHASE BANK, N.A. ,
as a Lender

By: /s/ Min Park
Name: Min Park
Title: Vice President