

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

December 21, 2005

Date of Report (Date of earliest event reported)

SONUS NETWORKS, INC.  
(Exact Name of Registrant as Specified in its Charter)

DELAWARE

000-30229

04-3387074

(State or Other Jurisdiction  
of Incorporation)

(Commission File Number)

(IRS Employer  
Identification No.)

250 APOLLO DRIVE, CHELMSFORD, MASSACHUSETTS 01824  
(Address of Principal Executive Offices) (Zip Code)

(978) 614-8100

(Registrant's telephone number, including area code)

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

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

Item 1.01 Entry into a Material Definitive Agreement

On December 21, 2005, the Board of Directors (the "Board") of Sonus Networks, Inc. (the "Company"), upon the recommendation of the Board's Compensation Committee, approved the acceleration of vesting of unvested stock options having an exercise price per share of \$4.00 or higher, granted under the Company's stock option plan that are held by the Company's current employees, including executive officers. Options held by the Company's non-employee directors are excluded from this vesting acceleration. As a result of such acceleration, options granted with respect to approximately 19 million shares of the Company's common stock are subject to this acceleration. The Board also conditioned the acceleration of options held by each executive officer on the executive officer's entering into a Resale Restriction Agreement with the Company. The Resale Restriction Agreement would restrict the sale of any shares obtained through the exercise of accelerated options before such time as vesting would otherwise have taken place absent the acceleration or, if earlier, an executive officer's last day of employment with the Company. In addition, holders of incentive stock options, or ISOs, within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, may elect to decline the

acceleration of certain of their ISOs if it would have the effect of changing the status of such options for federal income tax purposes from ISOs to non-qualified stock options.

The acceleration of the vesting of these unvested stock options eliminates future compensation expense that the Company would otherwise have to recognize in its consolidated statement of operations with respect to such options when Statement of Financial Accounting Standards No. 123(R) "Share Based Payment," becomes effective for the Company in the first quarter of 2006.

A copy of the form of Resale Restriction Agreement is attached to this Current Report on Form 8-K as Exhibit 10.1 and is incorporated herein by reference as though fully set forth herein. The foregoing summary of the Resale Restriction Agreement is qualified in its entirety by the complete text of Exhibit 10.1 filed herewith.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibit

10.1 Form of Resale Restriction Agreement.

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: December 28, 2005

SONUS NETWORKS, INC.

By:

/s/ Charles J. Gray

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Vice President and General Counsel

Exhibit Index

10.1 Form of Resale Restriction Agreement.

SONUS NETWORKS, INC.

RESALE RESTRICTION AGREEMENT

This RESALE RESTRICTION AGREEMENT (the "Agreement") with respect to certain stock option award agreements (the "Option Agreements") issued under the Sonus Networks, Inc. Amended and Restated 1997 Stock Incentive Plan (the "Plan") is made by and between Sonus Networks, Inc., a Delaware corporation (the "Company"), and (the "Holder").

WHEREAS, the Holder was granted options (the "Options") to acquire shares of common stock of the Company (the "Shares") under the Plan pursuant to the Option Agreements.

WHEREAS, the Options are fully vested and exercisable by reason of an action of the Board of Directors of the Company effective December 21, 2005; and

WHEREAS, the Company and the Holder wish to impose certain resale restrictions on the Shares subject to the Options as provided herein on the terms and conditions contained herein.

NOW, THEREFORE, it is agreed as follows:

1. The Holder acknowledges that he or she has reviewed this Agreement in full.
2. The Holder agrees not to sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale of, pledge or otherwise transfer or dispose of any Shares (or any interest in any Shares) until the date on which the Shares would have vested pursuant to the original terms of the Option Agreements (hereinafter referred to as the "Resale Restrictions").
3. The Resale Restrictions shall lapse on the earlier of the date on which the Shares would have vested pursuant to the original terms of the Option Agreements or the last day of the Holder's employment with the Company.
4. This Agreement shall be effective as of December 30, 2005.
5. The Holder represents and warrants that he or she has full power to enter into this Agreement.
6. This Agreement, the Option Agreements and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior understandings and agreements of the Company and the Holder with respect to the subject matter hereof, and may not be modified except by means of a writing signed by the Company and the Holder. This Agreement is to be construed in accordance with and governed by the internal laws of the Commonwealth of Massachusetts without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the Commonwealth of Massachusetts to the rights and duties of the parties. Nothing in this Agreement (except as expressly provided herein) is intended to confer any rights or remedies on any persons other than the parties. Should any provision of this Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.
7. This Agreement shall be binding upon the Company and the Holder as well as the successors and assigns (if any) of the Company and the Holder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered on the date set forth beside such party's signature.

Dated: December, \_\_\_\_\_, 2005

SONUS NETWORKS, INC.

By: \_\_\_\_\_  
\_\_\_\_\_

Dated: December, \_\_\_\_\_, 2005

Holder

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