Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2018

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 000-52049

SYNCHRONOSS TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**06-1594540**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 Crossing Boulevard, 8th Floor Bridgewater, New Jersey	**08807**
(Address of principal executive offices)	(Zip Code)

(866) 620-3940
(Registrant's telephone number, including area code)

(Former name, former address, and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller Reporting Company	☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Class	Outstanding at August 06, 2018
Common stock, $0.0001 par value	42,629,469

Table of Contents

SYNCHRONOSS TECHNOLOGIES, INC.
FORM 10-Q INDEX

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

SYNCHRONOSS TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) (In thousands)

	June 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 222,785	$ 156,299
Restricted cash**	3,480	89,826
Marketable securities	5,411	3,111
Accounts receivable, net of allowances of $3,992 and $3,107 at June 30, 2018 and December 31, 2017, respectively	51,439	78,186
Prepaid expenses and other current assets	57,387	43,557
Total current assets	340,502	370,979
Marketable securities	9,021	—
Property and equipment, net	89,310	111,825
Goodwill	233,298	237,303
Intangible assets, net	128,164	132,167
Other assets	13,090	5,236
Note receivable from related party**	84,314	73,984
Equity method investment	30,412	33,917
Total assets	$ 928,111	$ 965,411
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	13,924	5,959
Accrued expenses	54,540	72,739
Deferred revenues, current	31,391	75,829
Mandatorily redeemable financial instrument	—	37,959
Total current liabilities	99,855	192,486
Lease financing obligation	10,319	11,183
Convertible debt, net of debt issuance costs	228,410	227,704
Deferred tax liabilities	12,472	13,735
Deferred revenues, non-current	39,475	25,241
Other liabilities	15,390	6,195
Commitments and contingencies (Note 12)		
Redeemable noncontrolling interest	12,500	25,280
Series A Convertible Participating Perpetual Preferred Stock, $0.0001 par value; 10,000 shares authorized; 188 shares issued and outstanding at June 30, 2018	168,945	—
Stockholders' equity:		
Common stock, $0.0001 par value; 100,000 shares authorized, 49,439 and 52,024 shares issued; 42,277 and 46,965 outstanding at June 30, 2018 and December 31, 2017, respectively	5	5
Treasury stock, at cost (7,162 and 5,059 shares at June 30, 2018 and December 31, 2017, respectively)	(82,084)	(105,584)
Additional paid-in capital	554,218	597,553
Accumulated other comprehensive loss	(28,938)	(23,373)
Accumulated deficit	(102,456)	(5,014)
Total stockholders' equity	340,745	463,587
Total liabilities and stockholders' equity	$ 928,111	$ 965,411

** See *Note 5 -Investments in Affiliates and Related Transactions* for related party transactions reflected in this account.

See accompanying notes to condensed consolidated financial statements.

SYNCHRONOSS TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net revenues	$ 76,742	$ 118,990	$ 160,451	$ 205,087
Costs and expenses:				
Cost of revenues*	39,525	47,755	84,074	93,810
Research and development	20,200	20,819	41,105	46,308
Selling, general and administrative	33,938	29,353	72,048	68,168
Restructuring charges	2,778	6,405	3,886	9,403
Depreciation and amortization	23,401	23,552	46,672	47,639
Total costs and expenses	119,842	127,884	247,785	265,328
Loss from continuing operations	(43,100)	(8,894)	(87,334)	(60,241)
Interest income	3,763	3,026	7,315	5,883
Interest expense	(1,318)	(11,844)	(2,565)	(22,461)
Other (expense) income, net	(23)	(1,556)	4,259	2,630
Equity method investment (loss) income	(7)	233	(212)	981
Loss from continuing operations, before taxes	(40,685)	(19,035)	(78,537)	(73,208)
(Provision) benefit for income taxes	(579)	(3,573)	(704)	5,148
Net loss from continuing operations	(41,264)	(22,608)	(79,241)	(68,060)
Net loss from discontinued operations, net of tax**	—	(6,775)	—	(22,909)
Net loss	(41,264)	(29,383)	(79,241)	(90,969)
Net loss attributable to redeemable noncontrolling interests	1,259	2,815	2,544	5,704
Preferred stock dividend	(7,260)	—	(10,613)	—
Net loss attributable to Synchronoss	$ (47,265)	$ (26,568)	$ (87,310)	$ (85,265)
Basic:				
Continuing operations	$ (1.20)	$ (0.44)	$ (2.14)	$ (1.40)
Discontinued operations**	—	(0.16)	—	(0.52)
	$ (1.20)	$ (0.60)	$ (2.14)	$ (1.92)
Diluted:				
Continuing operations	$ (1.20)	$ (0.44)	$ (2.14)	$ (1.40)
Discontinued operations**	—	(0.16)	—	(0.52)
	$ (1.20)	$ (0.60)	$ (2.14)	$ (1.92)
Weighted-average common shares outstanding:				
Basic	39,456	44,618	40,812	44,416
Diluted	39,456	44,618	40,812	44,416

* Cost of revenues excludes depreciation and amortization which is shown separately.
** See *Note 3 - Acquisitions and Divestitures* for transactions classified as discontinued operations.

See accompanying notes to condensed consolidated financial statements.

SYNCHRONOSS TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS)
(Unaudited) (In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net loss	$ (41,264)	$ (29,383)	$ (79,241)	$ (90,969)
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	(7,857)	9,064	(4,985)	12,724
Unrealized (loss) gain on available for sale securities	(28)	10	(49)	18
Net (loss) income on intra-entity foreign currency transactions	(1,360)	1,160	(531)	1,353
Total other comprehensive (loss) income	(9,245)	10,234	(5,565)	14,095
Comprehensive loss	(50,509)	(19,149)	(84,806)	(76,874)
Comprehensive loss attributable to redeemable noncontrolling interests	1,259	2,815	2,544	5,704
Comprehensive loss attributable to Synchronoss	$ (49,250)	$ (16,334)	$ (82,262)	$ (71,170)

SYNCHRONOSS TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited) (In thousands)

	Six months ended June 30,	
	2018	**2017**
Operating activities:		
Net loss from continuing operations	$ (79,241)	$ (68,060)
Net loss from discontinued operations**	—	(22,909)
Adjustments to reconcile Net Loss to net cash used in operating activities:		
Depreciation and amortization expense	46,672	47,639
Change in fair value of financial instruments	(3,849)	—
Amortization of debt issuance costs	706	3,147
Accrued PIK interest	(7,037)	(5,643)
Loss (earnings) from equity method investments	212	(981)
Gain on disposals	—	(4,947)
Discontinued operations non-cash and working capital adjustments**	—	59,278
Amortization of bond premium	44	177
Deferred income taxes	(1,223)	(13,304)
Non-cash interest on leased facility	547	533
Stock-based compensation	14,824	10,749
Changes in operating assets and liabilities:		
Accounts receivable, net of allowance for doubtful accounts	29,334	623
Prepaid expenses and other current assets	(13,415)	(14,869)
Other assets	1,260	2,351
Accounts payable	8,109	(9,847)
Accrued expenses	(24,685)	(18,746)
Other liabilities	632	(31)
Lease obligation interest payment	(483)	—
Deferred revenues	(43,788)	14,539
Net cash used in operating activities	(71,381)	(20,301)
Investing activities:		
Purchases of fixed assets	(3,820)	(5,235)
Purchases of intangible assets and capitalized software	(8,201)	(5,300)
Proceeds from the sale of SpeechCycle	—	13,500
Purchases of marketable securities available for sale	(13,383)	(219)
Maturity of marketable securities available for sale	1,970	7,191
Equity investment	—	608
Investing in discontinued operations**	—	(7,213)
Investment in note receivable	—	(6,187)
Business acquired, net of cash	(9,798)	(815,008)
Net cash used in investing activities	(33,232)	(817,863)

Financing activities:		
Share-based compensation-related proceeds, net of taxes paid on withholding shares	—	2,460
Debt issuance costs related to the Credit Facility	—	(3,692)
Debt issuance costs related to long term debt	—	(19,887)
Proceeds from issuance of long term debt	—	900,000
Repayment of long term debt	—	(2,250)
Repayment of revolving line of credit	—	(29,000)
Proceeds from the sale of treasury stock in connection with an employee stock purchase plan	—	1,047
Proceeds from issuance of preferred stock	86,220	—
Payments on capital obligations	(718)	(1,359)
Net cash provided by financing activities	85,502	847,319
Effect of exchange rate changes on cash	(749)	2,550
Net decrease in cash, restricted cash and cash equivalents	(19,860)	11,705
Cash, restricted cash and cash equivalents, beginning of period	246,125	211,433
Cash, restricted cash and cash equivalents, end of period	$ 226,265	$ 223,138
Supplemental disclosures of non-cash investing and financing activities:		
Issuance of common stock in connection with Intralinks acquisition	$ —	$ 4,700
Cash and cash equivalents per the Consolidated Balance Sheets	$ 222,785	$ 216,558
Restricted cash per the Consolidated Balance Sheets	3,480	6,580
Total cash, cash equivalents and restricted cash	$ 226,265	$ 223,138

** See *Note 3 - Acquisitions and Divestitures* for transactions classified as discontinued operations.

See accompanying notes to condensed consolidated financial statements.

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

1. Description of Business

General

Synchronoss Technologies, Inc. ("Synchronoss" or the "Company") is a global software and services company that provides essential technologies for the mobile transformation of business. The Company's portfolio, which is targeted at the Consumer and Enterprise markets, contains offerings such as personal cloud, secure-mobility, identity management and scalable messaging platforms, products and solutions. These essential technologies create a better way of delivering the transformative mobile experiences that service providers and enterprises need to help them stay ahead of the curve in competition, innovation, productivity, growth and operational efficiency.

Synchronoss' products and platforms are designed to be carrier-grade, flexible and scalable, enabling multiple converged communication services to be managed across a range of distribution channels including e-commerce, m-commerce, telesales, customer stores, indirect and other retail outlets. This business model allows the Company to meet the rapidly changing converged services and connected devices offered by their customers. Synchronoss' products, platforms and solutions enable its enterprise and service provider customers to acquire, retain and service subscribers and employees quickly, reliably and cost-effectively with white label and custom-branded solutions. Synchronoss customers can simplify the processes associated with managing the customer experience for procuring, activating, connecting, backing-up, synchronizing and sharing/collaboration with connected devices and contents from these devices and associated services. The extensibility, scalability, reliability and relevance of the Company's platforms enable new revenue streams and retention opportunities for their customers through new subscriber acquisitions, sale of new devices, accessories and new value-added service offerings in the Cloud. By using the Company's technologies, Synchronoss customers can optimize their cost of operations while enhancing their customer experience.

The Company currently operates in and markets their solutions and services directly through their sales organizations in the United States, Canada and Latin America (collectively, the "Americas"); Europe, Middle East and Africa (collectively, "EMEA"); and Australia, Japan, Southeast Asia and China (collectively, "APAC"). Synchronoss delivers essential technologies for mobile transformation to two primary types of customers: service provider and enterprise customers in regulated verticals and use cases.

Service Providers, Retailers, OEMs, Re-sellers and Service Integrators

The Company's products and platforms provide end-to-end seamless integration between customer-facing channels/applications, communication services, or devices and "back-office" infrastructure-related systems and processes. Synchronoss' customers rely on these solutions and technology to automate the process of activation and content and settings management for their subscribers' devices while delivering additional communication services. Synchronoss' portfolio includes: cloud-based sync, backup, storage and content engagement capabilities, broadband connectivity solutions, analytics, white label messaging, identity/access management that enable communications service providers ("CSPs"), cable operators/multi-services operators ("MSOs") and original equipment manufacturers ("OEMs") with embedded connectivity (e.g. smartphones, laptops, tablets and mobile internet devices ("MIDs") such as automobiles, wearables for personal health and wellness, and connected homes), multi-channel retailers, as well as other customers to accelerate and monetize value-add services for secure and broadband networks and connected devices.

2. Basis of Presentation and Consolidation

Basis of Presentation and Consolidation

The accompanying interim unaudited condensed consolidated financial statements have been prepared by Synchronoss and in the opinion of management, include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the Company's financial position, results of operations and cash flows for the interim periods. They do not include all of the information and footnotes required by U.S. generally accepted accounting principles ("GAAP") for complete financial statements and should be read in conjunction with the Company's audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K/A for the year ended December 31, 2017. The results of operations for the three and six months ended June 30, 2018 are not necessarily indicative of the results to be expected for the year ending December 31, 2018.

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

The condensed consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries and variable interest entities ("VIE") in which the Company is the primary beneficiary and entities in which the Company has a controlling interest. Investments in less than majority-owned companies in which the Company does not have a controlling interest, but does have significant influence, are accounted for as equity method investments. Investments in less than majority-owned companies in which the Company does not have the ability to exert significant influence over the operating and financial policies of the investee are accounted for using the cost method. All material intercompany transactions and accounts are eliminated in consolidation. Certain prior year amounts have been reclassified to conform to the current year's presentation.

For further information about the Company's basis of presentation and consolidation or its significant accounting policies, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K/A for the year ended December 31, 2017.

Restricted Cash

Restricted cash includes amounts to various deposits, escrows and other cash collateral that are restricted by contractual obligation. During the six months ended June 30, 2018, $87.3 million was released from escrow on notification that Siris would exercise its option on the issuance of preferred stock. These funds were restricted from the proceeds received upon the sale of Intralinks, through the date of issuance of preferred stock. Remaining amounts were primarily attributed to cash held in transit, and operating cash held by the Company's consolidated joint venture Zentry, LLC ("Zentry"), which cannot be used to fulfill the obligations of the Company as a whole.

Recently Issued Accounting Standards

Recent accounting pronouncements adopted

Standard	Description	Effect on the financial statements
Accounting Standards Update ("ASU") 2017-09 Stock Compensation (Topic 718), Scope of Modification Date of adoption: January 1, 2018.	In May 2017, the Financial Accounting Standards Board ("FASB") issued guidance which clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. Entities will apply the modification accounting guidance if the value, vesting conditions or classification of the award changes. The guidance also clarifies that a modification to an award could be significant and therefore require disclosure, even if modification accounting is not required. ASU 2017-09 is effective for fiscal years, and interim periods within those years, beginning after December 31, 2017. Early adoption is permitted as of the beginning of an annual period for which financial statements have not been issued. ASU 2017-09 should be applied prospectively to an award modified on or after the adoption date.	This ASU did not have a material effect on the Company's condensed consolidated financial statements.

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

Standards issued not yet adopted

Standard	Description	Effect on the financial statements
ASU 2017-09 Stock Compensation (Topic 718), Scope of Modification Date of adoption: January 1, 2019.	In January 2016, the FASB issued ASU 2016-01, Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities ("ASU 2016-01"), which addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. ASU 2016-01 is effective for the Company in its first quarter of fiscal 2019, and earlier adoption is not permitted except for certain provisions.	The Company does not expect that the pending adoption of this ASU will have a material effect on its condensed consolidated financial statements.
ASU 2016-13 Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments Date of adoption: January 1, 2020.	In June 2016, the FASB issued ASU 2016-13 which replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for public companies in annual periods beginning after December 15, 2019, and interim periods within those years. Early adoption is permitted beginning after December 15, 2018 and interim periods within those years.	The Company is currently evaluating the impact of the adoption of this ASU on its condensed consolidated financial statements.
ASU 2016-02 Leases (Topic 842) Date of adoption: January 1, 2019.	In February 2016, the FASB issued ASU 2016-02 which requires lessees to recognize, for all leases of 12 months or more, a liability to make lease payments and a right-of-use asset representing the right to use the underlying asset for the lease term. Additionally, the guidance requires improved disclosures to help users of financial statements better understand the nature of an entity's leasing activities. This ASU is effective for public reporting companies for interim and annual periods beginning after December 15, 2018, with early adoption permitted, and must be adopted using a modified retrospective approach.	The Company is in the process of evaluating the effect of the new guidance on its condensed consolidated financial statements and disclosures.This guidance may be adopted using a modified retrospective approach. The Company is in the process of forming a project team to evaluate and implement this guidance and is reviewing its practical expedient elections.

In May 2014, the FASB issued a new accounting standard related to revenue recognition, ASU 2014-09, "Revenue from Contracts with Customers," ("Topic 606"). The new standard supersedes the existing revenue recognition requirements under U.S. GAAP and requires entities to recognize revenue when they transfer control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. It also requires increased disclosures regarding the nature, amount, timing, and uncertainty of revenues and cash flows arising from contracts with customers.

On January 1, 2018, the Company adopted Topic 606 applying the modified retrospective method to all contracts that were not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606, while prior period amounts are not adjusted and continue to be reported under the accounting standards in effect for the prior period. The Company recorded a net reduction to opening retained earnings of approximately $10.1 million as of January 1, 2018 due to the cumulative impact of adopting Topic 606. The impact to revenues for the six months ended June 30, 2018 was an increase of $20.3 million as a result of adopting Topic 606. The impact to costs is not material.

The impact of adoption primarily relates to (1) the delayed pattern of recognition under Topic 606 for certain professional services revenue when such professional services involve the customization of features and functionality for subscription services customers, (2) the earlier pattern of recognition under Topic 606 for license revenue when the Company provides hosting services for on-premise license customers. In the case of professional services that involve the customization of features and functionality for subscription services, under historic accounting policies the professional services were considered to have standalone value, and as a result were recognized as the services were performed. Under Topic 606, such professional services are not considered to be a distinct performance obligation within the context of the subscription services contract, and as such each month's customization services revenue is recognized over the shorter of the estimated remaining life of the subscription software (typically three years) or the remaining term of the subscription services contract. In the case of license contracts sold in association with

hosting, under historic accounting policies the license revenue was recognized over the hosting term due to the lack of vendor specific objective evidence ("VSOE") of fair value for the hosting services. Under Topic 606, VSOE is no longer required in order separate revenue between the license and the hosting elements, and the license revenue is generally recognized upon delivery of the software based on the relative allocation of the contract price based on the established standalone selling price ("SSP").

Additional impacts of adoption include (1) in certain cases changes in the amount allocated to the various performance obligations in accordance with the relative standalone selling price method required by Topic 606 compared to the amount allocated to the various elements in accordance with the residual method or the relative selling price method, as applicable, under historic accounting policies, (2) the capitalization and subsequent amortization of certain sales commissions as costs to obtain a contract under ASC 340-40, whereas under historic accounting policies all such amounts were expensed as incurred (3) the timing and amount of revenue recognition for certain sales contracts that are considered to involve variable consideration under Topic 606, but were considered to either not be fixed or determinable or to involve contingent revenue features under historic accounting policies, (4) in certain limited cases, the accounting for discounted customer options to purchase future software or services as material rights under Topic 606, as well as (5) the income tax impact of the above items, as applicable.

Changes in accounting policies as a result of adopting Topic 606 and nature of goods

The following is a description of principal activities from which the Company generates revenue. Revenues are recognized when control of the promised goods or services are transferred to the Company's customers, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company generates all of its revenue from contracts with customers.

Subscription and Transaction revenues consist of revenues derived from the processing of transactions through the Company's service platforms, providing enterprise portal management services on a subscription basis and maintenance agreements on software licenses. The Company generates revenue from Subscription services from monthly active user fees, software as a service ("SaaS") fees, hosting and storage fees, and fees for the related maintenance support for those services. In most cases, the subscription or transaction arrangement is a single performance obligation comprised of a series of distinct services that are substantially the same and that have the same pattern of transfer (i.e., distinct days of service). The Company applies a measure of progress (typically time-based) to any fixed consideration and allocates variable consideration to the distinct periods of service based on usage. When the Company does not allocate variable consideration to distinct periods of service, the total estimated transaction price is recognized ratably over the term of the contract.

Transaction service arrangements include services such as processing equipment orders, new account set-up and activation, number port requests, credit checks and inventory management.

Transaction revenues are principally based on a contractual price per transaction and are recognized based on the number of transactions processed during each reporting period. Revenues are recorded based on the total number of transactions processed at the applicable price established in the relevant contract.

Many of the Company's contracts guarantee minimum volume transactions from the customer. In these instances, if the customer's total estimated transaction volume for the period is expected to be less than the contractual amount, the Company records revenues at the minimum guaranteed amount on a straight line based over the period covered by the minimum. Set-up fees for transactional service arrangements are deferred until set up activities are completed and recognized on a straight-line basis over remaining expected customer relationship period. Revenues are presented net of discounts, which are volume level driven, or credits, which are performance driven, and are determined in the period in which the volume thresholds are met, or the services are provided. The Company recognizes revenues from support and maintenance performance obligations over the service delivery period.

The Company's software licenses typically provide for a perpetual or term right to use the Company's software. The Company has concluded that in most cases its software license is distinct as the customer can benefit from the software on its own. Software revenue is typically recognized when the software is delivered to the customer. Contracts that include software customization or specified upgrades may result in the combination of the customization services with the software license as one performance obligation.

The Company's professional services include software development and customization. The contracts generally include project deliverables specified by each customer. The performance obligations in the agreements are generally combined into one deliverable and generally result in the transfer of control over time. The underlying deliverable is owned and controlled by the customer and does not create an asset with an alternative use to us. The Company recognizes revenue on fixed fee contracts on the proportion of labor hours expended to the total hours expected to complete the contract performance obligation.

Most of the Company's contracts with customers contain multiple performance obligations which generally include either 1) a perpetual software license with support and maintenance and sometimes a hosting agreement or 2) a term SaaS agreement, in many cases these are sold along with professional services. For these contracts, the Company accounts for individual goods and services separately if they are distinct performance obligations, this often requires significant judgment based upon knowledge of the products, the solution provided and the structure of the sales contract. In SaaS agreements, the Company provides a service to the customer which combines the software functionality, maintenance and hosting into a single performance obligation when the customer doesn't have the ability to take possession of the underlying software license. The Company may also sell the same three goods and services in a contract, but they may be three performance obligations, where the customer has the right to take possession of the software license without significant penalty.

The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. The Company estimates standalone selling prices of software based on observable inputs of past transactions to similarly situated customers. When such observable data is not available for certain software licenses because there is a limited number of transactions or prices are highly variable, the Company will estimate the standalone selling price using the residual approach. Standalone selling prices of services are typically determined based on observable transactions when these services are sold on a standalone basis to similarly situated customers or estimated using a cost plus margin approach.

Estimating the transaction price of variable consideration including the variable quantity subscription or transaction contracts in a multiple performance obligation arrangement requires significant judgment. The Company generally estimates this variable consideration at the most likely amount to which the Company expects to be entitled and in certain cases based on the expected value. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The Company's estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the Company's anticipated performance and all information (historical, current and forecasted) that is reasonably available to us. The Company reviews and update these estimates on a quarterly basis.

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

The Company's typical performance obligations include the following:

Performance Obligation	When Performance Obligation is Typically Satisfied	When Payment is Typically Due	How Standalone Selling Price is Typically Estimated
Software License			
Software License	Upon shipment or made available for download (point in time)	Within 90 days of delivery	Observable transactions or residual approach when prices are highly variable or uncertain
Software License with significant customization	Over the performance of the customization and installation of the software (over time)	Within 90 days of services being performed	Residual approach
Hosting Services	As hosting services are provided (over time)	Within 90 days of services being provided	Estimated using a cost-plus margin approach
Professional Services			
Consulting	As work is performed (over time)	Within 90 days of services being performed	Observable transactions
Customization	SaaS: Over the remaining term of the SaaS agreement License: Over the performance of the customization and installation of the software (over time)	Within 90 days of services being performed	Observable transactions
Transaction Services	As transaction is processed (over time)	Within 90 days of transaction	Observable transactions
Subscription Services			
Customer Support	Ratably over the course of the support contract (over time)	At the beginning of the contract period	Observable transactions
SaaS	Over the course of the SaaS service once the system is available for use (over time)	Within 90 days of services being performed	Estimated using a cost-plus margin approach

Disaggregation of revenue

The Company disaggregates revenue from contracts with customers into the nature of the products and services and geographical regions. The Company's geographic regions are the Americas, EMEA, and APAC. The majority of the Company's revenue is from the Technology, Media and Telecom (collectively, "TMT") sector.

	Three Months Ended June 30, 2018			
	Cloud	Digital	Messaging	Total
Geography				
Americas	$ 36,563	$ 20,172	$ 2,260	$ 58,995
APAC	—	931	9,717	10,648
EMEA	2,157	1,083	3,859	7,099
Total	$ 38,720	$ 22,186	$ 15,836	$ 76,742
Service Line				
Professional Services	$ 3,576	$ 4,294	$ 1,831	$ 9,701
Transaction Services	2,442	2,116	—	4,558
Subscription Services	32,666	14,454	6,954	54,074
License	36	1,322	7,051	8,409
Total	$ 38,720	$ 22,186	$ 15,836	$ 76,742

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

	Three Months Ended June 30, 2017			
	Cloud	Digital	Messaging	Total
Geography				
Americas	$ 75,910	$ 24,808	$ 3,103	$ 103,821
APAC	—	2,047	7,574	9,621
EMEA	1,786	1,296	2,466	5,548
Total	$ 77,696	$ 28,151	$ 13,143	$ 118,990
Service Line				
Professional Services	$ 16,915	$ 5,429	$ 335	$ 22,679
Transaction Services	3,136	5,587	—	8,723
Subscription Services	54,488	13,558	9,875	77,921
License	3,157	3,577	2,933	9,667
Total	$ 77,696	$ 28,151	$ 13,143	$ 118,990

	Six Months Ended June 30, 2018			
	Cloud	Digital	Messaging	Total
Geography				
Americas	$ 72,423	$ 41,051	$ 4,871	$ 118,345
APAC	—	2,615	25,640	28,255
EMEA	4,601	1,531	7,719	13,851
Total	$ 77,024	$ 45,197	$ 38,230	$ 160,451
Service Line				
Professional Services	$ 7,020	$ 10,002	$ 6,390	$ 23,412
Transaction Services	4,785	3,895	—	8,680
Subscription Services	64,795	29,531	15,733	110,059
License	424	1,769	16,107	18,300
Total	$ 77,024	$ 45,197	$ 38,230	$ 160,451

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

	Six Months Ended June 30, 2017			
	Cloud	Digital	Messaging	Total
Geography				
Americas	$ 126,005	$ 47,300	$ 3,687	$ 176,992
APAC	—	3,520	13,324	16,844
EMEA	3,540	1,996	5,715	11,251
Total	$ 129,545	$ 52,816	$ 22,726	$ 205,087
Service Line				
Professional Services	$ 19,422	$ 12,317	$ 3,614	$ 35,353
Transaction Services	6,215	10,945	—	17,160
Subscription Services	98,393	22,441	16,002	136,836
License	5,515	7,113	3,110	15,738
Total	$ 129,545	$ 52,816	$ 22,726	$ 205,087

Trade Accounts Receivable and Contract balances

The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset. A receivable is a right to consideration that is unconditional (i.e. only the passage of time is required before payment is due). For example, the Company recognizes a receivable for revenues related to its time and materials and transaction or volume-based contracts. The Company presents such receivables in Trade accounts receivable, net in its consolidated statements of financial position at their net estimated realizable value. The Company maintains an allowance for doubtful accounts to provide for the estimated amount of receivables that may not be collected. The allowance is based upon an assessment of customer creditworthiness, historical payment experience, the age of outstanding receivables and other applicable factors.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. For example, the Company would record a contract asset if it records revenue on a professional services engagement, but are not entitled to bill until the Company achieves specified milestones. Contract asset balance at June 30, 2018 was immaterial.

Amounts collected in advance of services being provided are accounted for as contract liabilities, which are presented as deferred revenue on the accompanying balance sheet and are realized with the associated revenue recognized under the contract. Nearly all of the Company's contract liabilities balance is related to services revenue, primarily subscription services contracts.

The Company’s contract assets and liabilities are reported in a net position on a customer basis at the end of each reporting period.

Significant changes in the contract liabilities balance (current and noncurrent) during the period are as follows (in thousands):

	Contract Liabilities*
Balance - January 1, 2018	$ 115,009
Revenue recognized that was included in the contract liability (def. revenue) balance at January 1, 2018	(82,424)
Increases due to cash received, excluding amounts recognized as revenue during the period	38,281
Balance - June 30, 2018	$ 70,866

* Comprised of Deferred Revenue

Revenues recognized during the six months ended June 30, 2018 for performance obligations satisfied or partially satisfied in previous periods were immaterial.

Contract acquisition costs

In connection with the adoption of Topic 606 and the related cost accounting guidance under Accounting Standards Codification ("ASC") 340, the Company is required to capitalize certain contract acquisition costs consisting primarily of commissions and bonuses paid when contracts are signed. The Company adopted Topic 606 on January 1, 2018 and capitalized $0.7 million in contract acquisition costs related to contracts that were not completed. For contracts that have a duration of less than one year, the Company follows a Topic 606 practical expedient and expenses these costs over the estimated customer life, because it does not pay commissions upon renewals that are commensurate with the initial contract. In the six months ended June 30, 2018, the amount of amortization was immaterial and there was no impairment loss in relation to costs capitalized.

Contract Fulfillment Costs

Under ASC 340-40, the Company evaluates whether or not it should capitalize the costs of fulfilling a contract. Such costs would be capitalized when they are not within the scope of other standards and: (1) are directly related to a contract; (2) generate or enhance resources that will be used to satisfy performance obligations; and (3) are expected to be recovered. No such costs were capitalized as of June 30, 2018.

Transaction price allocated to the remaining performance obligations

Topic 606 requires that the Company disclose the aggregate amount of transaction price that is allocated to performance obligations that have not yet been satisfied as of June 30, 2018. The Company has elected not to disclose transaction price allocated to remaining performance obligations for:

1. Contracts with an original duration of one year or less, including contracts that can be terminated for convenience without a substantive penalty;
2. Contracts for which the Company recognizes revenues based on the right to invoice for services performed;
3. Variable consideration allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation in accordance with Topic 606 Section 10-25-14(b), for which the criteria in Topic 606 Section 10-32-40 have been met.

Many of the Company's performance obligations meet one or more of these exemptions. As of June 30, 2018, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was $383.8 million, of which approximately 80% is expected to be recognized as revenues within 2 years, and the remainder thereafter.

Estimates of revenue expected to be recognized in future periods also exclude unexercised customer options to purchase services that do not represent material rights to the customer. Customer options that do not represent a material right are only accounted for in accordance with Topic 606 when the customer exercises its option to purchase additional goods or services.

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

In accordance with Topic 606, the disclosure of the impact of adoption to the Company's Condensed Consolidated Balance Sheet and Condensed Consolidated Statement of Operations was as follows:

	June 30, 2018		
	As Reported	Impacts of the New Revenue Standard	Adjusted amounts under prior GAAP
ASSETS			
Current assets:			
Cash and cash equivalents	$ 222,785	$ —	$ 222,785
Restricted cash**	3,480	—	3,480
Marketable securities	5,411	—	5,411
Accounts receivable, net	51,439	9,790	41,649
Prepaid expenses and other current assets [2]	57,387	(164)	57,551
Total current assets	340,502	9,626	330,876
Marketable securities	9,021	—	9,021
Property and equipment, net	89,310	—	89,310
Goodwill	233,298	—	233,298
Intangible assets, net	128,164	—	128,164
Deferred tax assets	—	—	—
Other assets [2]	13,090	418	12,672
Note receivable from related party**	84,314	—	84,314
Equity method investment	30,412	—	30,412
Total assets	$ 928,111	$ 10,044	$ 918,067
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 13,924	$ —	$ 13,924
Accrued expenses	54,540	(12,013)	66,553
Deferred revenues, current [3]	31,391	(2,234)	33,625
Total current liabilities	99,855	(14,247)	114,102
Lease financing obligation	10,319	—	10,319
Convertible debt, net of debt issuance costs	228,410	—	228,410
Deferred tax liabilities	12,472	—	12,472
Deferred revenues, non-current [3]	39,475	14,632	24,843
Other liabilities	15,390	—	15,390
Redeemable noncontrolling interest	12,500	—	12,500
Commitments and contingencies (Note 12)			
Series A Convertible Participating Perpetual Preferred Stock, $0.0001 par value; 10,000 shares authorized; 188 shares issued and outstanding at June 30, 2018	168,945	—	168,945
Stockholders' equity:			
Common stock, $0.0001 par value; 100,000 shares authorized, 49,439 and 52,024 shares issued; 42,277 and 46,965 outstanding at June 30, 2018 and December 31, 2017, respectively	5	—	5
Treasury stock, at cost (7,162 and 5,059 shares at June 30, 2018 and December 31, 2017, respectively)	(82,084)	—	(82,084)
Additional paid-in capital	554,218	—	554,218
Accumulated other comprehensive loss [4]	(28,938)	60	(28,998)
Accumulated deficit	(102,456)	9,599	(112,055)
Total stockholders' equity	340,745	9,659	331,086
Total liabilities and stockholders' equity	$ 928,111	$ 10,044	$ 918,067

** See *Note 5 -Investments in Affiliates and Related Transactions* for related party transactions reflected in this account.

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

	Three Months Ended June 30,			Six Months Ended June 30,		
	As Reported	Impacts of the New Revenue Standard	Adjusted amounts under prior GAAP	As Reported	Impacts of the New Revenue Standard	Adjusted amounts under prior GAAP
Net revenues [3]	$ 76,742	$ 9,284	$ 67,458	$ 160,451	$ 20,266	$ 140,185
Costs and expenses:						
Cost of revenues* [5]	39,525	256	39,269	84,074	364	83,710
Research and development	20,200	—	20,200	41,105	—	41,105
Selling, general and administrative [2]	33,938	51	33,887	72,048	101	71,947
Restructuring charges	2,778	—	2,778	3,886	—	3,886
Depreciation and amortization	23,401	—	23,401	46,672	—	46,672
Total costs and expenses	119,842	307	119,535	247,785	465	247,320
Loss from continuing operations	(43,100)	8,977	(52,077)	(87,334)	19,801	(107,135)
Interest income	3,763	—	3,763	7,315	—	7,315
Interest expense	(1,318)	(33)	(1,285)	(2,565)	(72)	(2,493)
Other (expense) income, net	(23)	—	(23)	4,259	—	4,259
Equity method investment loss	(7)	—	(7)	(212)	—	(212)
Loss from continuing operations, before taxes	(40,685)	8,944	(49,629)	(78,537)	19,729	(98,266)
Provision for income taxes	(579)	—	(579)	(704)	—	(704)
Net loss from continuing operations	(41,264)	8,944	(50,208)	(79,241)	19,729	(98,970)
Net loss	(41,264)	8,944	(50,208)	(79,241)	19,729	(98,970)
Net loss attributable to redeemable noncontrolling interests	1,259	—	1,259	2,544	—	2,544
Preferred stock dividend	(7,260)	—	(7,260)	(10,613)	—	(10,613)
Net loss attributable to Synchronoss	$ (47,265)	$ 8,944	$ (56,209)	$ (87,310)	$ 19,729	$ (107,039)
Basic:						
Continuing operations	$ (1.20)	$ 0.22	$ (1.42)	$ (2.14)	$ 0.48	$ (2.62)
Discontinued operations**	—	—	—	—	—	—
	$ (1.20)	$ 0.22	$ (1.42)	$ (2.14)	$ 0.48	$ (2.62)
Diluted:						
Continuing operations	$ (1.20)	$ 0.22	$ (1.42)	$ (2.14)	$ 0.48	$ (2.62)
Discontinued operations**	—	—	—	—	—	—
	$ (1.20)	$ 0.22	$ (1.42)	$ (2.14)	$ 0.48	$ (2.62)
Weighted-average common shares outstanding:						
Basic	39,456		39,456	40,812		40,812
Diluted	39,456		39,456	40,812		40,812

* Cost of revenues excludes depreciation and amortization which is shown separately.
** See *Note 3 - Acquisitions and Divestitures* for transactions classified as discontinued operations.

(1) Reflects the impact of changes to the contract term as defined by the new revenue recognition standard.
(2) Reflects capitalization of costs to obtain a contract.
(3) Reflects the impact of changes in the delayed pattern of recognition on the Company's professional services, timing of revenue recognition and allocation of purchase price on software license contracts and legally enforceable rights and obligations prior to when persuasive evidence of an arrangement exists.
(4) Reflects the impact of foreign currency translation related to the above impacts.
(5) Reflects the impact of amortization of third party costs over the term of the contract.

The table below shows Topic 606 Retained earnings reconciliation:

Cumulative catch up Topic 606 adjustment as of January 1, 2018	$	(10,130)
Net loss from continued operations		19,729
Retained Earnings at June 30, 2018	$	9,599

3. Acquisitions and Divestitures

Acquisition-Related Costs

Total acquisition-related costs recognized during the six months ended June 30, 2018 and 2017 including transaction costs such as legal, accounting, valuation and other professional services, were $1.3 million and $13.0 million, respectively, and are included in selling, general and administrative expense in the Condensed Consolidated Statements of Operations.

Acquisition of honeybee

In May 2018, the Company completed the acquisition of the honeybee software business ("honeybee"), a provider of digital solutions targeted at optimizing the customer experience from Dixons Carphone plc which offers a digital transformation platform that makes it easier for companies to design and launch omni-channel customer journeys. Consideration paid by the Company consisted of approximately $9.8 million in cash and $8.7 million to be paid over the next three years. As of June 30, 2018 the preliminary opening balance sheet reflected intangible assets and net working capital in the amount of $8.9 million and $9.6 million respectively. The Company is currently evaluating the impact of the contracts obtained in the transaction and any changes in net working capital balances.

Customers of the honeybee platform, such as mobile operators and other communication service providers, can rapidly create and adapt digital sales processes for contact centers, retail stores, and online channels. This helps reduce complexity for the end-user as well as internal employees, while delivering a single customer experience at all touch-points and improved business outcomes such as reduced cost and increased revenue. The acquisition did not have a material impact on the Company's Condensed Consolidated Statements of Operations.

Divestitures

2018 Transactions

SNCR, LLC

On November 16, 2015, the Company formed a venture with Goldman Sachs ("Goldman"), referred to as SNCR, LLC in order to develop and deploy the Synchronoss Secure Mobility Suite, which would include integration of Synchronoss Workspace platform with Goldman's internally developed mobile security intellectual property to help provide a safe, secure mobile device environment that also effectively supports bring your own device ("BYOD").

During the fourth quarter of 2017, the Company entered into a termination agreement with Goldman to terminate the venture, and provide a perpetual, irrevocable license of the venture's intellectual property for use in Goldman's back-office. As part of the agreement, the Company was relieved of any future obligations to support Goldman's use of the software. The venture formally ended in the first quarter of 2018 resulting in the elimination of the Company's associated noncontrolling interest balance and an increase to additional paid in capital balance of $12.8 million on the Company's Condensed Consolidated Balance Sheets.

2017 Transactions

Intralinks

On January 19, 2017, the Company purchased all outstanding shares of Intralinks Holdings, Inc. ("Intralinks") for approximately $815.0 million, net of cash acquired. In connection with the acquisition, the Company entered into a $900.0 million

senior secured term loan (the "2017 Term Facility"). Intralinks is a global technology provider of SaaS solutions for secure enterprise content collaboration within and among organizations. Intralinks' cloud-based solutions enable organizations to securely manage, control, track, search, exchange and collaborate on sensitive information inside and outside the firewall. The total purchase price consideration consisted of the repayment of existing Intralinks indebtedness, and non-cash consideration for services rendered on unvested Intralinks equity awards that were converted into the Company equity awards on the acquisition date. The acquisition was primarily funded from the proceeds of the $900.0 million credit agreement.

On June 23, 2017, the Company received a non-binding indication of interest from Siris Capital Group, LLC ("Siris") to acquire the Company. In light of the indication of interest, the Board of Directors decided to explore a broad range of strategic alternatives that would have the potential to unlock shareholder value. In October 2017, the Company concluded its review of strategic alternatives and determined that the best approach for the Company to achieve the goal of maximizing shareholder value was to focus on its core TMT business, divest non-core assets and improve its balance sheet strength, cash position and potential profitability. Under the terms of certain definitive agreements, investment funds affiliated with Siris acquired all of the stock of the Company's wholly-owned subsidiary, Intralinks, for consideration of cash and an investment in convertible preferred equity of the Company.

On October 17, 2017, the Company announced its entry into definitive agreements for the sale of Intralinks, and the right to sell a newly created series of preferred stock of Synchronoss to affiliates of Siris. Subject to the terms and conditions set forth in a share purchase agreement, dated as of October 17, 2017 (the "Share Purchase Agreement"), among Synchronoss, Intralinks and Impala Private Holdings II, LLC, an affiliate of Siris ("Impala"), Impala agreed to acquire from the Company, the issued and outstanding shares of common stock of Intralinks for approximately $977.3 million in cash plus a potential contingent payment of up to $25.0 million, subject to an adjustment for cash, debt and working capital (the "Intralinks Transaction"). The total amount of funds used to complete the Intralinks Transaction and related transactions and pay related fees and expenses was approximately $1.0 billion, which was funded through a combination of equity and debt financing obtained by Impala.

Subsequently, on November 14, 2017, the Company sold Intralinks to Impala, for approximately $991.0 million in cash, subject to post-closing adjustments for changes in cash, debt and working capital. As a result of the sale, the Company prepaid the remaining balance on the 2017 Term Facility. If, in the future, Impala receives net cash proceeds in excess of $440.0 million from any sale of equity or assets of Intralinks, or a dividend or distribution in respect of the shares of Intralinks, then Impala is required to pay the Company up to an additional $25.0 million in cash or publicly traded securities. Immediately following the consummation of the Intralinks Transaction, the Company paid to Impala $5.0 million as partial reimbursement of the out-of-pocket fees and expenses incurred by Impala, Siris and their respective affiliates in connection with the execution of the Share Purchase Agreement and the Intralinks Transaction. Amounts reimbursed were recorded as a reduction in the gain on sale. The operations of Intralinks were presented as discontinued operations in 2017.

SpeechCycle

On February 1, 2017, the Company completed a divestiture of its SpeechCycle business, to an unrelated third party, for consideration of $13.5 million.

As part of the divestiture, the Company entered into a one year transition services agreement with the acquirer to support various indirect activities such as customer software support, technical support services and maintenance and support services. These services were terminated during the first quarter of 2018. The Company recorded a pre-tax gain of $4.9 million as a result of the divestiture which is included in other income (expense), net in the Condensed Consolidated Statement of Operations.

4. Fair Value Measurements of Assets and Liabilities

In accordance with accounting principles generally accepted in the United States, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three level hierarchy prioritizes the inputs used to measure fair value as follows:

- Level 1 - Observable inputs - quoted prices in active markets for identical assets and liabilities;
- Level 2 - Observable inputs other than the quoted prices in active markets for identical assets and liabilities includes quoted prices for similar instruments, quoted prices for identical or similar instruments in inactive markets, and amounts derived from valuation models where all significant inputs are observable in active markets; and

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

- Level 3 - Unobservable inputs - includes amounts derived from valuation models where one or more significant inputs are unobservable and require the Company to develop relevant assumptions.

The following is a summary of assets, liabilities and redeemable noncontrolling interests and their related classifications under the fair value hierarchy:

	June 30, 2018			
	Total	(Level 1)	(Level 2)	(Level 3)
Assets				
Cash, cash equivalents and restricted cash [1]	$ 226,265	$ 226,265	$ —	$ —
Marketable securities-short term [2]	5,411	—	5,411	—
Marketable securities-long term [2]	9,021	—	9,021	—
Total assets	$ 240,697	$ 226,265	$ 14,432	$ —
Liabilities				
Contingent interest derivative [3]	$ 327	$ —	$ —	$ 327
Total liabilities	$ 327	$ —	$ —	$ 327
Temporary equity				
Redeemable noncontrolling interests [4]	$ 12,500	$ —	$ —	$ 12,500
Total temporary equity	$ 12,500	$ —	$ —	$ 12,500

	December 31, 2017			
	Total	(Level 1)	(Level 2)	(Level 3)
Assets				
Cash, cash equivalents and restricted cash [1]	$ 246,125	$ 246,125	$ —	$ —
Marketable securities-short term [2]	3,111	—	3,111	—
Total assets	$ 249,236	$ 246,125	$ 3,111	$ —
Liabilities				
Contingent interest derivative [3]	$ 193	$ —	$ —	$ 193
Mandatorily redeemable financial instrument [5]	$ 37,959	$ —	$ —	$ 37,959
Total liabilities	$ 38,152	$ —	$ —	$ 38,152
Temporary Equity				
Redeemable noncontrolling interests [4]	$ 25,280	$ —	$ —	$ 25,280
Total temporary equity	$ 25,280	$ —	$ —	$ 25,280

(1) Cash equivalents primarily included money market funds.
(2) Marketable securities is comprised of municipal bonds and certificates of deposit.
(3) Contingent interest derivative related to convertible debt is included in accrued expenses, for further details see *Note 6 - Debt*.
(4) Put arrangements held by the noncontrolling interests in certain of the Company's joint ventures.
(5) Mandatorily redeemable financial instruments are comprised of the Company's contractual obligation to deliver a set number of preferred shares at a time in less than twelve months and the option for the Company to receive a set number of common shares. In 2018, this was exchanged as partial consideration in connection with issuance of the Company's Series A Convertible Participating Perpetual Preferred Stock.

Available-for-Sale Securities

The Company utilizes the market approach to measure fair value for its financial assets. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. The Company's marketable securities investments classified as Level 2 primarily utilize broker quotes in a non-active market for valuation of these securities. No transfers of assets between Level 1, Level 2 and Level 3 of the fair value measurement hierarchy occurred during the six months ended June 30, 2018.

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

Unrealized gains and losses are reported as a component of accumulated other comprehensive income in stockholders' equity. There were no sales of marketable securities during the six months ended June 30, 2018 and 2017. The cost of securities sold is based on the specific identification method. The Company evaluates investments with unrealized losses to determine if the losses are other than temporary. The Company has determined that the gross unrealized losses at June 30, 2018 and 2017 are temporary. In making this determination, the Company considered the financial condition, credit ratings and near-term prospects of the issuers, the underlying collateral of the investments, and the magnitude of the losses as compared to the cost and the length of time the investments have been in an unrealized loss position. Additionally, while the Company classifies the securities as available for sale, the Company does not currently intend to sell such investments and it is more likely than not to recover the carrying value prior to being required to sell such investments.

At June 30, 2018 and December 31, 2017, the estimated fair value of investments classified as available-for-sale, were as follows:

	June 30, 2018			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Marketable securities:				
Certificates of deposit	$ 4,026	$ —	$ (18)	$ 4,008
Corporate bonds	402	—	(3)	399
Municipal bonds	10,058	1	(34)	10,025
Total marketable securities	$ 14,486	$ 1	$ (55)	$ 14,432

As of June 30, 2018, there were no accumulated unrealized losses related to investments that have been in a continuous unrealized loss position for 12 months or longer. The aggregate related fair value of investment with unrealized losses was less than $13.3 million.

	December 31, 2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Marketable securities:				
Certificates of deposit	$ 250	$ —	$ —	$ 250
Municipal bonds	2,867	—	(6)	2,861
Total marketable securities	$ 3,117	$ —	$ (6)	$ 3,111

As of December 31, 2017, an insignificant amount of accumulated unrealized losses related to investments that have been in a continuous unrealized loss position for 12 months or longer. The aggregate related fair value of investment with unrealized losses was approximately $2.9 million.

The contractual maturities of marketable debt securities were as follows:

	June 30, 2018	
	Amortized Cost	Fair Value
Due within one year	$ 5,420	$ 5,411
Due after 1 year through 5 years	8,803	8,760
Due after 5 years through 10 years	—	—
Due after 10 years	263	261
Total available-for-sale debt securities	$ 14,486	$ 14,432

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

Redeemable Noncontrolling Interests

The redeemable noncontrolling interests recorded at fair value are put arrangements held by the noncontrolling interests in certain of the Company's joint ventures. The Company recognizes changes in the redemption value immediately as they occur and adjusts the carrying value of the noncontrolling interest to the greater of the estimated redemption value, which approximates fair value, at the end of each reporting period or the initial carrying amount.

The fair value of the redeemable noncontrolling interests was estimated by applying an income approach using a discounted cash flow analysis. This fair value measurement is based on significant inputs that are not observable in the market and thus represents a Level 3 measurement. Significant changes in the underlying assumptions used to value the redeemable noncontrolling interests could significantly increase or decrease the fair value estimates recorded in the Condensed Consolidated Balance Sheets.

The changes in fair value of the Company's Level 3 redeemable noncontrolling interests during the six months ended June 30, 2018 were as follows:

Balance at December 31, 2017	$ 25,280
Fair value adjustment	(10,236)
Net loss attributable to redeemable noncontrolling interests	(2,544)
Balance at June 30, 2018	$ 12,500

5. Investments in Affiliates and Related Transactions

Sequential Technology International, LLC

The Company includes investments which are accounted for using the equity method, under the caption equity method investments on the Company's Condensed Consolidated Balance Sheets. As of June 30, 2018, the Company's investments in equity interests was comprised of $30.4 million related to a 30% equity interest in Sequential Technology International, LLC ("STIN").

Sequential Technology International Holdings LLC ("STIH"), which holds a 70% equity interest in STIN, also holds a senior note issued by a Third Party ("Third-Party Note" or "Seller Note"). The Third-Party Note is secured against STIH's equity interest in STIN and is senior to the Company's equity interest in STIN. Under the arrangement, cash dividends due to the Company from STIN, other than required cash distributions made for tax purposes, are deferred until the Third-Party Note is paid in full. As of June 30, 2018, all the amounts under Third-Party Note are paid in full. Under the terms of a paid-in-kind purchase money note (the "PIK Note") issued to the Company by STIH, deferred distributions are added to the amounts outstanding under the PIK Note.

In connection with the divestiture of the exception handling business of the Company, Synchronoss entered into a three-year Cloud Telephony and Support services agreement to grant STIN access to certain Synchronoss software and private branch exchange systems to facilitate exception handling operations required to support STIN customers.

For the three months ended June 30, 2018 and 2017, the Company recognized $6.4 million and $4.2 million, respectively, in revenue related to Cloud Telephony and Support services, and $0.4 million and $0.5 million, respectively, in revenue related to all other services. For the six months ended June 30, 2018 and 2017, the Company recognized $12.8 million and $4.2 million, respectively in revenue related to Cloud Telephony and Support services, and $1.0 million and $0.9 million, respectively, in revenue related to all other services.

The following is a summary of the PIK Note related balances:

	Seller Note	Impairment	Unamortized Discount	Loan Accrued Interest	Distribution Note	Distribution interest	Total
December 31, 2017	$ 83,000	$ (14,562)	$ (12,162)	$ 11,096	$ 6,187	$ 425	$ 73,984
Activity	—	—	438	6,104	3,293	495	10,330
June 30, 2018	$ 83,000	$ (14,562)	$ (11,724)	$ 17,200	$ 9,480	$ 920	$ 84,314

During the six months ended June 30, 2018, STIN distributed approximately $3.3 million to the Company, which was recognized as reduction in the Company's equity investment in STIN and a corresponding adjustment to increase the PIK Note. Amounts were used by STIH to facilitate accelerated payment on the Third-Party Note held by STIH.

The STIN affiliate balances and their classification in the Condensed Consolidated Balance Sheet as of June 30, 2018, were as follows:

	June 30, 2018	December 31, 2017
Restricted cash (A)	$ 83	$ 118
Accounts receivable (B)	18,934	18,033
Total assets	$ 19,017	$ 18,151
Accrued expenses (A)	83	118
Total liabilities	$ 83	$ 118

(A) The Company collected less than $0.1 million from STIN customers, on behalf of STIN, which remained outstanding as of June 30, 2018. This amount has been classified in short term restricted cash and in accrued expenses on the Condensed Consolidated Balance Sheets.

(B) These amounts principally included revenues generated from the Cloud and Telephony Support Services agreement and pass-through of vendor expenses incurred during the transition and assignment of vendor contracts.

6. Debt

Total debt consists of the following:

	June 30, 2018	December 31, 2017
Convertible Senior Notes	$ 230,000	$ 230,000
Unamortized debt issuance costs (1)	(1,590)	(2,296)
Total long-term debt, carrying value	$ 228,410	$ 227,704

(1) Unamortized debt issuance costs is related to Convertible Senior Notes.

Convertible Senior Notes

On August 12, 2014, the Company issued $230.0 million aggregate principal amount of its 0.75% Convertible Senior Notes due in 2019 (the "2019 Notes"). The 2019 Notes mature on August 15, 2019, and bear interest at a rate of 0.75% per annum payable semi-annually in arrears on February 15 and August 15 of each year. The Company accounted for the $230.0 million face value of the debt as a liability and capitalized approximately $7.1 million of financing fees, related to the issuance which are presented net of the face value of the 2019 Notes on the Condensed Consolidated Balance Sheets.

The 2019 Notes are senior, unsecured obligations of the Company, and are convertible into shares of its common stock based on a conversion rate of 18.8072 shares per $1,000 principal amount of 2019 Notes which is equivalent to an initial conversion price of approximately $53.17 per share. The Company will satisfy any conversion of the 2019 Notes with shares of the Company's common stock. The 2019 Notes are convertible at the note holders' option prior to their maturity and if specified corporate transactions occur. The issue price of the 2019 Notes was equal to their face amount.

Holders of the 2019 Notes who convert their notes in connection with a qualifying fundamental change, as defined in the related indenture, may be entitled to a make-whole premium in the form of an increase in the conversion rate. Additionally, following the occurrence of a fundamental change, holders may require that the Company repurchase some or all of the 2019 Notes for cash at a repurchase price equal to 100% of the principal amount of the notes being repurchased, plus accrued and unpaid interest, if any. As of June 30, 2018, none of these conditions existed with respect to the 2019 Notes and as a result, the 2019 Notes are classified as long term.

Included in the definition of a fundamental change is whether the Company's common stock ceases to be listed or quoted on Nasdaq. In May 2018, trading of the Company's common stock has been suspended on Nasdaq, however, it has not been delisted.

The 2019 Notes are the Company's direct senior unsecured obligations and rank equal in right of payment to all of the Company's existing and future unsecured and unsubordinated indebtedness.

During the three and six months ended June 30, 2018, interest expense for the Company's 2019 Notes related to the contractual interest coupon was $0.5 million and $0.9 million, respectively.

At June 30, 2018, the carrying amount of the liability was $228.4 million and the outstanding principal of the 2019 Notes was $230.0 million, with an effective interest rate of approximately 1.38%. The fair value of the 2019 Notes was $221.0 million at June 30, 2018. The fair value of the liability of the 2019 Notes was determined using a discounted cash flow model based on current market interest rates available to the Company. These inputs are corroborated by observable market data for similar liabilities and therefore classified within Level 2 of the fair-value hierarchy.

The Company is required to meet all SEC filing requirements and deadlines in order to be in compliance with the 2019 Notes. In the event that the Company does not meet the filing requirements, the Company will be in default under the 2019 Notes unless it elects to pay the noteholders additional interest of 0.25% up to 180 days from the date of the notice of default and 0.50% thereafter up to 360 days. The Company may agree to pay additional interest to the holders by notifying holders and the trustee within 90 days from the notice of default. If the Company decides to pay the additional interest, but has not remedied its failure to meet all SEC filing requirements within 360 days from the notice of default, it will be in default. If the Company fails to elect to pay the additional interest, it will be in default if it does not remedy the its failure to meet all SEC filing requirements within the 90 days from the notice of default.

The Company received a notice of default from holders of more than 25% of the outstanding principal amount of the 2019 Notes on October 13, 2017. In accordance with the terms of the 2019 Notes, the Company elected to begin paying additional interest starting January 11, 2018 (the 90th day following the Company's receipt of the notice of default). As a result of the Company regaining compliance with its SEC filing requirements, the Company was no longer required to pay the additional interest as of July 9, 2018. The Company is required to record a derivative related to this contingent interest as a liability and expense in its financial statements due to the late filings of the Company's quarterly reports on Form 10-Q in 2017. At June 30, 2018, the recorded contingent interest derivative liability within accrued expenses was approximately $0.3 million.

2019 Notes Notice

On June 13, 2018, The Bank of New York Mellon, in its capacity as trustee (the "Trustee") under the indenture dated as of August 12, 2014 (the "Indenture") governing for the 2019 Notes, filed a verified complaint with the Court of Chancery of the State of Delaware, captioned The Bank of New York Mellon, as Indenture Trustee v. Synchronoss Technologies, Inc. (the "BNY Action"). The BNY Action complaint alleges that a "Fundamental Change" has occurred under the Indenture as a result of the Company's Common Stock ceasing to be listed or quoted on Nasdaq and that an event of default under the Indenture has occurred as a result of the Company's failure to provide a notice of such Fundamental Change which, if true, following notice from holders of more than 25% of the outstanding principal under the Notes would trigger the acceleration of the principal and interest outstanding under the 2019 Notes, which otherwise mature on August 15, 2019. The Company intends to defend against all of the claims vigorously. Pursuant to a scheduling order entered by the Court (the "Scheduling Order"), the Company filed its opening brief in support of its motion to dismiss the BNY Action on July 27, 2018. The Scheduling Order provides for the completion of briefing on the Company's motion to dismiss and any dispositive motion filed by the Trustee on September 17, 2018. Thereafter, the Court may in its discretion hold oral argument prior to rendering its decision. Due to the inherent uncertainties of litigation, the Company cannot predict the outcome of the BNY Action at this time, and the Company can give no assurance that the asserted claims will not have a material adverse effect on the Company's financial position or results of operations.

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

Interest expense

The following table summarizes the Company's interest expense:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Amended Credit Facility				
Amortization of debt issuance costs	$ —	$ —	$ —	$ 748
Commitment fee	—	—	—	25
Interest on borrowings	—	—	—	24
2017 Term Facility				
Amortization of debt issuance costs	—	739	—	1,355
Interest on borrowings	—	9,288	—	16,636
Revolving Facility				
Amortization of debt issuance costs	—	184	—	338
Commitment fee	—	187	—	334
Convertible Senior Notes				
Amortization of debt issuance costs	353	353	706	706
Interest on borrowings	431	432	862	863
Additional interest on default	63	—	192	288
Capital leases	241	243	483	486
Other	230	418	322	658
Total	$ 1,318	$ 11,844	$ 2,565	$ 22,461

7. Accumulated Other Comprehensive Income/ (Loss)

The changes in accumulated other comprehensive (loss) during the six months ended June 30, 2018, were as follows:

	Foreign Currency Translation Adjustment	Unrealized (Loss) Income on Intra-Entity Foreign Currency Transactions	Unrealized Holding Gains (Losses) on Available-for-Sale Securities	Total
Balance at December 31, 2017	$ (20,284)	$ (3,085)	$ (4)	$ (23,373)
Other comprehensive loss	(4,985)	(778)	(49)	(5,812)
Tax effect	—	247	—	247
Total comprehensive loss	(4,985)	(531)	(49)	(5,565)
Balance at June 30, 2018	$ (25,269)	$ (3,616)	$ (53)	$ (28,938)

8. Stockholders' Equity

There were no significant changes to Company's authorized capital stock and preferred stock during the three and six months ended June 30, 2018.

Common Stock

Each holder of common stock is entitled to vote on all matters and is entitled to one vote for each share held. Dividends on common stock will be paid when, and if, declared by the Company's Board of Directors. No dividends have ever been declared or paid by the Company.

Preferred Stock

There were no shares of preferred stock outstanding as of December 31, 2017. The Board of Directors is authorized to issue preferred shares and has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences of preferred stock.

In accordance with the terms of the Share Purchase Agreement dated as of October 17, 2017 (the "PIPE Purchase Agreement"), with Silver Private Holdings I, LLC, an affiliate of Siris ("Silver"), on February 15, 2018, the Company issued to Silver 185,000 shares of its newly issued Series A Convertible Participating Perpetual Preferred Stock (the "Series A Preferred Stock"), par value $0.0001 per share, with an initial liquidation preference of $1,000 per share, in exchange for $97.7 million in cash and the transfer from Silver to the Company of the 5,994,667 shares of the Company's common stock held by Silver (the "Preferred Transaction"). As of June 30, 2018, there were 188,353 shares of Series A Preferred Stock outstanding. Prior to or contemporaneously with the consummation of the Preferred Transaction, Synchronoss agreed to file the certificate of designations to its certificate of incorporation to establish the rights, preferences, privileges, qualifications, restrictions and limitations of the Series A Preferred Stock (the "Series A Certificate") and enter into the Investor Rights Agreement with Silver setting forth certain registration, governance and preemptive rights of Silver with respect to Synchronoss discussed below.

In accordance with the terms of the PIPE Purchase Agreement with Silver on February 15, 2018, the Company exercised its option to complete the Preferred Transaction. In connection with the issuance of the Series A Preferred Stock, the Company (i) filed the Series A Certificate and (ii) entered into the Investor Rights Agreement. Pursuant to the PIPE Purchase Agreement, at the closing, the Company paid to Siris $5.0 million as a reimbursement of Silver's reasonable costs and expenses incurred in connection with the Preferred Transaction. In connection with execution of the Preferred Transaction, Silver delivered 5,994,667 shares of Synchronoss common stock, which have been recorded as Treasury shares as of June 30, 2018.

Certificate of Designation of the Series A Preferred Stock

The rights, preferences, privileges, qualifications, restrictions and limitations of the shares of Series A Preferred Stock are set forth in the Series A Certificate. Under the Series A Certificate, the holders of the Series A Preferred Stock are entitled to receive, on each share of Series A Preferred Stock on a quarterly basis, an amount equal to the dividend rate of 14.5% divided by four and multiplied by the then-applicable Liquidation Preference (as defined in the Series A Certificate) per share of Series A Preferred Stock (collectively, the "Preferred Dividends"). The Preferred Dividends are due on January 1, April 1, July 1 and October 1 of each year (each, a "Series A Dividend Payment Date"). The Company may choose to pay the Preferred Dividends in cash or in additional shares of Series A Preferred Stock. In the event the Company does not declare and pay a dividend in-kind or in cash on any Series A Dividend Payment Date, the unpaid amount of the Preferred Dividend will be added to the Liquidation Preference. In addition, the Series A Preferred Stock participates in dividends declared and paid on shares of the Company's common stock.

Each share of Series A Preferred Stock is convertible, at the option of the holder, into the number of shares of common stock equal to the "Conversion Price" (as that term is defined in the Series A Certificate) multiplied by the then applicable "Conversion Rate" (as that term is defined in the Series A Certificate). Each share of Series A Preferred Stock is initially convertible into 55.5556 shares of common stock, representing an initial "conversion price" of approximately $18.00 per share of common stock. The Conversion Rate is subject to equitable proportionate adjustment in the event of stock splits, recapitalizations and other events set forth in the Series A Certificate.

On and after the fifth anniversary of February 15, 2018, holders of shares of Series A Preferred Stock have the right to cause the Company to redeem each share of Series A Preferred Stock for cash in an amount equal to the sum of the current liquidation preference and any accrued dividends. Each share of Series A Preferred Stock is also redeemable at the option of the holder upon the occurrence of a "Fundamental Change" (as that term is defined in the Series A Certificate) at a specified premium ("Liquidation Value"). In addition, the Company is also permitted to redeem all outstanding shares of the Series A Preferred Stock at any time (i) within the first 30 months of the date of issuance for the sum of the then-applicable Liquidation Preference, accrued but unpaid dividends and a make whole amount (known as "Redemption Value") and (ii) following the 30-month anniversary of the date of issuance for the sum of the then-applicable Liquidation Preference and the accrued but unpaid dividends. As of June 30, 2018 the Liquidation Value and Redemption Value of the Preferred Shares was $325.6 million and $261.1 million respectively.

The holders of a majority of the Series A Preferred Stock, voting separately as a class, are entitled at each of the Company's annual meetings of stockholders or at any special meeting called for the purpose of electing directors (or by written consent signed by the holders of a majority of the then-outstanding shares of Series A Preferred Stock in lieu of such a meeting): (i) to nominate

and elect two members of the Company's Board of Directors for so long as the Preferred Percentage (as defined in the Series A Certificate) is equal to or greater than 10%; and (ii) to nominate and elect one member of the Company's Board of Directors for so long as the Preferred Percentage is equal to or greater than 5% but less than 10%.

For so long as the holders of shares of Series A Preferred Stock have the right to nominate at least one director, the Company is required to obtain the prior approval of Silver prior to taking certain actions, including: (i) certain dividends, repayments and redemptions; (ii) any amendment to the Company's certificate of incorporation that adversely effects the rights, preferences, privileges or voting powers of the Series A Preferred Stock; (iii) issuances of stock ranking senior or equivalent to shares of Series A Preferred Stock (including additional shares of Series A Preferred Stock) in the priority of payment of dividends or in the distribution of assets upon any liquidation, dissolution or winding up of the Company; (iv) changes in the size of the Company's Board of Directors; (v) any amendment, alteration, modification or repeal of the charter of the Company's Nominating and Corporate Governance Committee of the Board of Directors and related documents; and (vi) any change in the Company's principal business or the entry into any line of business outside of the Company's existing lines of businesses. In addition, in the event that the Company is in EBITDA Non-Compliance (as defined in the Series A Certificate) or the undertaking of certain actions would result in the Company exceeding a specified pro forma leverage ratio, then the prior approval of Silver would be required to incur indebtedness (or alter any debt document) in excess of $10.0 million, enter or consummate any transaction where the fair market value exceeds $5.0 million individually or $10.0 million in the aggregate in a fiscal year or authorize or commit to capital expenditures in excess of $25.0 million in a fiscal year.

Each holder of Series A Preferred Stock has one vote per share on any matter on which holders of Series A Preferred Stock are entitled to vote separately as a class, whether at a meeting or by written consent. The holders of Series A Preferred Stock are permitted to take any action or consent to any action with respect to such rights without a meeting by delivering a consent in writing or electronic transmission of the holders of the Series A Preferred Stock entitled to cast not less than the minimum number of votes that would be necessary to authorize, take or consent to such action at a meeting of stockholders. In addition to any vote (or action taken by written consent) of the holders of the shares of Series A Preferred Stock as a separate class provided for in the Series A Certificate or by the General Corporation Law of the State of Delaware, the holders of shares of the Series A Preferred Stock are entitled to vote with the holders of shares of common stock (and any other class or series that may similarly be entitled to vote on an as-converted basis with the holders of common stock) on all matters submitted to a vote or to the consent of the stockholders of the Company (including the election of directors) as one class.

Under the Series A Certificate, if Silver and certain of its affiliates have elected to effect a conversion of some or all of their shares of Series A Preferred Stock and if the sum, without duplication, of (i) the aggregate number of shares of the Company's common stock issued to such holders upon such conversion and any shares of the Company's common stock previously issued to such holders upon conversion of Series A Preferred Stock and then held by such holders, plus (ii) the number of shares of the Company's common stock underlying shares of Series A Preferred Stock that would be held at such time by such holders (after giving effect to such conversion), would exceed the 19.9% of the issued and outstanding shares of the Company's voting stock on an as converted basis (the "Conversion Cap"), then such holders would only be entitled to convert such number of shares as would result in the sum of clauses (i) and (ii) (after giving effect to such conversion) being equal to the Conversion Cap (after giving effect to any such limitation on conversion). Any shares of Series A Preferred Stock which a holder has elected to convert but which, by reason of the previous sentence, are not so converted, will be treated as if the holder had not made such election to convert and such shares of Series A Preferred Stock will remain outstanding. Also, under the Series A Certificate, if the sum, without duplication, of (i) the aggregate voting power of the shares previously issued to Silver and certain of its affiliates held by such holders at the record date, plus (ii) the aggregate voting power of the shares of Series A Preferred Stock held by such holders as of such record date, would exceed 19.99% of the total voting power of the Company's outstanding voting stock at such record date, then, with respect to such shares, Silver and certain of its affiliates are only entitled to cast a number of votes equal to 19.99% of such total voting power. The limitation on conversion and voting ceases to apply upon receipt of the requisite approval of holders of the Company's common stock under the applicable listing standards.

Form of Investor Rights Agreement

Concurrently with the closing of the Preferred Transaction, Synchronoss and Silver entered into an Investor Rights Agreement. Under the terms of the Investor Rights Agreement, Silver and Synchronoss have agreed that, effective as of the closing of the Preferred Transaction, the Board of Directors of Synchronoss will consist of ten members. From and after the closing of the Preferred Transaction, so long as the holders of Series A Preferred Stock have the right to nominate a member to the Board of Directors pursuant to the Series A Certificate, the Board of Directors of Synchronoss will consist of (i) two directors nominated and elected by the holders of shares of Series A Preferred Stock; (ii) four directors who meet the independence criteria set forth

in the applicable listing standards (each of whom will be initially agreed upon by Synchronoss and Silver); and (iii) four other directors, two of whom shall satisfy the independence criteria of the applicable listing standards and, as of the closing of the Preferred Transaction, one of whom shall be the individual then serving as chief executive officer of Synchronoss and one of whom shall be the current chairman of the Board of Directors of Synchronoss as of the date of execution of the Investors Rights Agreement. Following the closing of the Preferred Transaction, so long as the holders of Series A Preferred Stock have the right to nominate at least one director to the Board of Directors of Synchronoss pursuant to the Series A Certificate, Silver will have the right to designate two members of the Nominating and Corporate Governance Committee of the Board of Directors.

Pursuant to the terms of the Investor Rights Agreement, neither Silver nor its affiliates may transfer any shares of Series A Preferred Stock subject to certain exceptions (including transfers to affiliates that agree to be bound by the terms of the Investor Rights Agreement).

For so long as Silver has the right to appoint a director to the Board of Directors of Synchronoss, without the prior approval by a majority of directors voting who are not appointed by the holders of shares of Series A Preferred Stock, neither Silver nor its affiliates will directly or indirectly purchase or acquire any debt or equity securities of Synchronoss (including equity-linked derivative securities) if such purchase or acquisition would result in Silver's Standstill Percentage (as defined in the Investor Rights Agreement) being in excess of 30%. However, the foregoing standstill restrictions would not prohibit the purchase of shares pursuant to the PIPE Purchase Agreement or the receipt of shares of Series A Preferred Stock issued as Preferred Dividends pursuant to the Series A Certificate, shares of Common Stock received upon conversion of shares of Series A Preferred Stock or receipt of any shares of Series A Preferred Stock, Common Stock or other securities of the Company otherwise paid as dividends or as an increase of the Liquidation Preference (as defined in the Series A Certificate) or distributions thereon. Silver will also have preemptive rights with respect to issuances of securities of Synchronoss in order to maintain its ownership percentage.

Under the terms of the Investor Rights Agreement, Silver will be entitled to (i) three demand registrations, with no more than two demand registrations in any single calendar year and provided that each demand registration must include at least 10% of the shares of Common Stock held by Silver, including shares of Common Stock issuable upon conversion of shares of Series A Preferred Stock and (ii) unlimited piggyback registration rights with respect to primary issuances and all other issuances.

Registration Rights

There were no significant changes to Company's registration rights during the three and six months ended June 30, 2018.

Stock Plans

There were no significant changes to Company's Stock Plans during the three and six months ended June 30, 2018. As of June 30, 2018, there were 0.2 million shares available for grant or award under the Company's 2015 Plan and 1.0 million shares available for the grant or award under the Company's new hire equity incentive plan.

Stock-Based Compensation

The following table summarizes stock-based compensation expense related to all of the Company's stock awards included by operating expense categories, as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Cost of revenues	$ 1,300	$ 471	$ 2,412	$ 2,208
Research and development	1,802	953	3,342	2,980
Selling, general and administrative	4,536	1,214	9,070	5,561
Total stock-based compensation expense	$ 7,638	$ 2,638	$ 14,824	$ 10,749

The following table summarizes stock-based compensation expense related to all of the Company's stock awards included by award types, as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Stock options	$ 1,980	$ 1,535	$ 3,740	$ 2,988
Restricted stock awards	5,658	1,036	11,084	7,431
Employee Stock Purchase Plan	—	67	—	330
Total stock-based compensation before taxes	$ 7,638	$ 2,638	$ 14,824	$ 10,749
Tax benefit	$ 531	$ 506	$ 2,954	$ 1,713

The total stock-based compensation cost related to unvested equity awards as of June 30, 2018 was approximately $54.4 million. The expense is expected to be recognized over a weighted-average period of approximately 2.54 years.

Replacement Awards

On January 19, 2017, certain equity awards granted under the Intralinks Holdings, Inc. 2010 Equity Incentive Plan and the Intralinks Holdings, Inc. 2007 Stock Option and Grant Plan (together, the "Intralinks Plans") were assumed by the Company's 2015 Equity Incentive Plan (the "2015 Plan"). The assumed awards are subject to the vesting and service conditions of the 2015 Plan. Subsequently, these were accelerated as part of the Intralinks Transaction.

Among the equity awards assumed were restricted stock units subject to market-based performance targets in order for them to vest. Vesting is subject to continued service requirements through the vesting date. The grant date fair value for such unvested restricted stock units was estimated using a Monte Carlo simulation that incorporates option-pricing inputs covering the period from the grant date through the end of the performance period. Stock-based compensation expense for such unvested restricted stock units is recognized on a straight-line basis over the vesting period, regardless of whether the market condition is satisfied. All of these awards were canceled during 2017 pursuant to termination of related employees.

Stock Options

There were no significant changes to Company's Stock Option Plans during the three and six months ended June 30, 2018.

The Company uses the Black-Scholes option pricing model for determining the estimated fair value for stock options. The weighted-average assumptions used in the Black-Scholes option pricing model are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Expected stock price volatility	65.1%	53.2%	65.1%	49.2%
Risk-free interest rate	2.6%	1.7%	2.5%	1.7%
Expected life of options (in years)	4.08	4.05	4.08	4.03
Expected dividend yield	0.0%	0.0%	0.0%	0.0%
Weighted-average fair value (grant date) of the options	$ 5.47	$ 6.87	$ 5.34	$ 7.79

The following table summarizes information about stock options outstanding as of June 30, 2018:

Options	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2017	3,950	$ 21.54		
Options Granted	902	10.37		
Options Exercised	—	—		
Options Cancelled	(290)	24.40		
Outstanding at June 30, 2018	4,562	$ 19.15	5.37	$ 566
Vested at June 30, 2018	1,420	$ 30.97	3.46	$ —
Exercisable at June 30, 2018	1,420	$ 30.97	3.46	$ —

For the three months ended June 30, 2018 and 2017, the Company recognized nil and less than $0.1 million, respectively in the total intrinsic value for stock options exercised. For the six months ended June 30, 2018 and 2017, the Company recognized nil and $1.0 million, respectively in the total intrinsic value for stock options exercised.

Awards of Restricted Stock and Performance Stock

There were no significant changes to Company's restricted stock award ("Restricted Stock") and performance stock plan during the three and six months ended June 30, 2018.

A summary of the Company's unvested restricted stock at June 30, 2018, and changes during the six months ended June 30, 2018, is presented below:

Unvested Restricted Stock	Number of Awards	Weighted- Average Grant Date Fair Value
Unvested at December 31, 2017	2,064	$ 22.75
Granted	1,329	10.17
Vested	(499)	30.27
Forfeited	(109)	19.56
Unvested at June 30, 2018	2,785	$ 15.45

Restricted stock awards are granted subject to other service conditions or service and performance conditions ("Performance-Based Awards"). Restricted stock and performance-based awards are measured at the closing stock price at the date of grant and are recognized straight line over the requisite service period.

Share Repurchase Program

There were no repurchases in 2018. In 2018, the Company retired 3.9 million shares of Common Stock that were previously repurchased in prior years. Any related additional paid in capital and par values were removed from the Common Stock numbers.

9. Restructuring

In March 2016 and December 2016, the Company initiated a work-force reduction as part of a corporate restructuring, with reductions occurring across all levels and departments within the Company, primarily in an effort to reduce costs subsequent to an acquisition or divestiture. These measures were intended to reduce costs and to align the Company's resources with its key strategic priorities. The Company authorized additional work force reduction initiatives throughout 2017 and in period ending June 2018. As of June 30, 2018, there were $1.7 million of accrued restructuring charges on the Condensed Consolidated Balance Sheets.

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

A summary of the Company's restructuring accrual at June 30, 2018 and changes during the six months ended June 30, 2018, are presented below:

	Balance at December 31, 2017	Charges	Payments	Other Adjustments[1]	Balance at June 30, 2018
Employment termination costs	$ 474	$ 3,886	$ (2,653)	$ (7)	$ 1,700
Facilities consolidation	24	—	(6)	—	18
Total	$ 498	$ 3,886	$ (2,659)	$ (7)	$ 1,718

(1) Includes non-cash adjustments.

10. Income Taxes

The Company recognized approximately $0.7 million and $5.1 million in related income tax expense and benefit during the six months ended June 30, 2018 and 2017, respectively. The effective tax rate was approximately (0.9)% for the six months ended June 30, 2018, which was lower than the U.S. federal statutory rate primarily due to the full valuation allowances recorded in the fourth quarter of 2017. The Company considered all available evidence, including historical profitability and projections of future taxable income together with new evidence, both positive and negative, that could affect the view of the future realization of deferred tax assets. As a result of the assessment, no change was recorded by the Company to the valuation allowance during the six months ended June 30, 2018.

11. Earnings per Common Share ("EPS")

Basic EPS is computed based upon the weighted average number of common shares outstanding for the year. Diluted EPS is computed based upon the weighted average number of common shares outstanding for the year plus the dilutive effect of common stock equivalents using the treasury stock method and the average market price of the Company's common stock for the year. The Company includes participating securities (Redeemable Convertible Preferred Stock - Participation with Dividends on Common Stock that contain preferred dividend) in the computation of EPS pursuant to the two-class method. The two-class method of computing earnings per share is an allocation method that calculates earnings per share for common stock and participating securities. During periods of net loss, no effect is given to the participating securities because they do not share in the losses of the Company.

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

The following table provides a reconciliation of the numerator and denominator used in computing basic and diluted net income attributable to common stockholders per common share from continued and discontinued operations.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Numerator - Basic:				
Net loss from continuing operations	$ (41,264)	$ (22,608)	$ (79,241)	$ (68,060)
Net loss attributable to redeemable noncontrolling interests	1,259	2,815	2,544	5,704
Preferred stock dividend	(7,260)	—	(10,613)	—
Net (loss) income from continuing operations attributable to Synchronoss	(47,265)	(19,793)	(87,310)	(62,356)
Income from discontinued operations, net of taxes**	—	(6,775)	—	(22,909)
Net (loss) income attributable to Synchronoss	$ (47,265)	$ (26,568)	$ (87,310)	$ (85,265)
Numerator - Diluted:				
Net (loss) income from continuing operations attributable to Synchronoss	$ (47,265)	$ (19,793)	$ (87,310)	$ (62,356)
Income effect for interest on convertible debt, net of tax	—	—	—	—
Net loss from continuing operations adjusted for the convertible debt	(47,265)	(19,793)	(87,310)	(62,356)
Income from discontinued operations, net of taxes**	—	(6,775)	—	(22,909)
Net loss attributable to Synchronoss	$ (47,265)	$ (26,568)	$ (87,310)	$ (85,265)
Denominator:				
Weighted average common shares outstanding — basic	39,456	44,618	40,812	44,416
Dilutive effect of:				
Shares from assumed conversion of convertible debt [1]	—	—	—	—
Shares from assumed conversion of preferred stock [2]	—	—	—	—
Options and unvested restricted shares	—	—	—	—
Weighted average common shares outstanding — diluted	39,456	44,618	40,812	44,416
Basic EPS				
Continuing operations	$ (1.20)	$ (0.44)	$ (2.14)	$ (1.40)
Discontinued operations**	—	(0.16)	—	(0.52)
	$ (1.20)	$ (0.60)	$ (2.14)	$ (1.92)
Diluted EPS				
Continuing operations	$ (1.20)	$ (0.44)	$ (2.14)	$ (1.40)
Discontinued operations**	$ —	$ (0.16)	$ —	$ (0.52)
	$ (1.20)	$ (0.60)	$ (2.14)	$ (1.92)
Anti-dilutive stock options excluded	4,640	2,989	4,296	2,349
Unvested shares of restricted stock awards	2,785	2,250	2,785	2,250

** See *Note 3 - Acquisitions and Divestitures* for transactions classified as discontinued operations.

(1) The calculation for each period does not include the effect of assumed conversion of convertible debt of 4,325,646 shares, which is based on 18.8072 shares per $1,000 principal amount of the 2019 Notes.

(2) The calculation for each period does not include the effect of assumed conversion of preferred stock of 10,464,064 shares, which is based on 55.5556 shares per $1,000 principal amount of the preferred stock, because the effect would have been anti–dilutive.

12. Commitments and Contingencies

In the ordinary course of business, the Company is regularly subject to various claims, suits, regulatory inquiries and investigations. The Company records a liability for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss can be reasonably estimated. Management has also identified certain other legal matters where they believe an unfavorable outcome is not probable and, therefore, no reserve is established. Although management currently believes that resolving claims against the Company, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the Company's business, financial position, results of operations, or cash flows, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. The Company also evaluates other contingent matters, including income and non-income tax contingencies, to assess the likelihood of an unfavorable outcome and estimated extent of potential loss. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on the liquidity, results of operations, or financial condition of the Company.

Legal Matters

On May 1, 2017, May 2, 2017, June 8, 2017 and June 14, 2017, four putative class actions were filed against the Company and certain of its officers and directors in the United States District Court for the District of New Jersey (the "Securities Law Action"). After these cases were consolidated, the court appointed as lead plaintiff Employees' Retirement System of the State of Hawaii, which filed, on November 20, 2017, a consolidated amended complaint purportedly on behalf of purchasers of the Company's common stock between February 3, 2016 and June 13, 2017. The consolidated amended complaint asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and it alleges, among other things, that the defendants made false and misleading statements of material information concerning the Company's financial results, business operations, and prospects. The plaintiff seeks unspecified damages, fees, interest, and costs. On February 2, 2018, the defendants filed a motion to dismiss the consolidated amended complaint in its entirety, with prejudice, which remains pending. The Company believes that the asserted claims lack merit, and the Company intends to defend against all of the claims vigorously. Due to the inherent uncertainties of litigation, the Company cannot predict the outcome of the actions at this time, and can give no assurance that the asserted claims will not have a material adverse effect on the financial position or results of operations of the Company.

On September 15, 2017, October 24, 2017, October 27, 2017 and October 30, 2017, Synchronoss shareholders filed derivative lawsuits against certain of the Company's officers and directors and the Company (as nominal defendant) in the United States District Court for the District of New Jersey (the "Derivative Suits"). These lawsuits purport to allege claims related to breaches of fiduciary duties and unjust enrichment. The allegations in the Derivative Suits relate to substantially the same facts as those underlying the Securities Law Action described above. The plaintiffs seek unspecified damages and for the Company to take steps to improve its corporate governance and internal procedures. The plaintiffs in the Derivative Suits in which service of the complaints was effectuated have agreed to stay proceedings pending the court's decision on the defendants' motion to dismiss in the Securities Laws Action. The Company believes that the asserted claims lack merit, and the Company intends to defend against all of the claims vigorously. Due to the inherent uncertainties of litigation, the Company cannot predict the outcome of the Derivative Suits at this time, and the Company can give no assurance that the asserted claims will not have a material adverse effect on the Company's financial position or results of operations.

The Company's 2011 acquisition agreement with Miyowa SA ("Miyowa") provided that former shareholders of Miyowa would be eligible for earn-out payments to the extent specified business milestones were achieved following the acquisition. In December 2013, Eurowebfund and Bakamar, two former shareholders of Miyowa filed a complaint against the Company in the Commercial Court of Paris, France claiming that they are entitled to certain earn-out payments under the acquisition agreement. The Company was served with a copy of this complaint in January 2014. On December 3, 2015, the Court dismissed all claims in the complaint against the Company. On December 19, 2015, the former shareholders of Miyowa filed an appeal with the Court of Appeal of Paris, France, appealing the Court's decision. On January 11, 2018, the Court of Appeal of Paris, France, dismissed the appeal. The plaintiffs have informed the Company that they will not be appealing this decision.

On July 11, 2017, Shareholder Representative Services LLC, on behalf of the persons entitled to receive merger consideration (the "Sellers") in connection with the Company's acquisition of Razorsight, commenced arbitration against the Company with respect to a dispute over the amount due to the Sellers as additional consideration. Under the Razorsight purchase agreement, the Sellers are entitled to a percentage of any revenue recognized by the Company generated from the sale or licensing of Razorsight products in 2016 after a specific revenue threshold is obtained. The parties disagreed over the determination of the amount of revenue recognized in 2016. The parties entered into an agreement resolving the arbitration in May 2018.

On June 13, 2018, The Bank of New York Mellon, in its capacity as trustee (the "Trustee") under the indenture dated as of August 12, 2014 (the "Indenture") governing for the 2019 Notes, filed a verified complaint with the Court of Chancery of the State of Delaware, captioned The Bank of New York Mellon, as Indenture Trustee v. Synchronoss Technologies, Inc. (the "BNY Action"). The BNY Action complaint alleges that a "Fundamental Change" has occurred under the Indenture as a result of the Company's Common Stock ceasing to be listed or quoted on Nasdaq and that an event of default under the Indenture has occurred as a result of the Company's failure to provide a notice of such Fundamental Change which, if true, following notice from holders of more than 25% of the outstanding principal under the Notes would trigger the acceleration of the principal and interest outstanding under the 2019 Notes, which otherwise mature on August 15, 2019. The Company intends to defend against all of the claims vigorously. Pursuant to a scheduling order entered by the Court (the "Scheduling Order"), the Company filed its opening brief in support of its motion to dismiss the BNY Action on July 27, 2018. The Scheduling Order provides for the completion of briefing on the Company's motion to dismiss and any dispositive motion filed by the Trustee on September 17, 2018. Thereafter, the Court may in its discretion hold oral argument prior to rendering its decision. The Company intends to defend against all of the claims vigorously. Due to the inherent uncertainties of litigation, the Company cannot predict the outcome of the BNY Action at this time, and the Company can give no assurance that the asserted claims will not have a material adverse effect on the Company's financial position or results of operations.

Except as set forth above, the Company is not currently subject to any legal proceedings that could have a material adverse effect on its operations; however, it may from time to time become a party to various legal proceedings arising in the ordinary course of its business. The Company is currently the plaintiff in several patent infringement cases. The defendants in several of these cases have filed counterclaims. Although the Company cannot predict the outcome of the cases at this time due to the inherent uncertainties of litigation, the Company continues to pursue its claims and believes that the counterclaims are without merit, and the Company intends to defend all of such counterclaims.

Nasdaq Compliance

On May 16, 2017, the Company received notice from the Listing Qualifications Department of The Nasdaq Stock Market ("Nasdaq") indicating that it was not in compliance with Nasdaq Listing Rule 5250(c)(1) (the "Rule"), which requires timely filing of periodic reports with the SEC, because the Company had not yet filed the Form 10-Q for the quarterly period ended March 31, 2017. The notice indicated that the Company had until July 17, 2017 to submit a plan to regain compliance with Nasdaq's continued listing requirements. On July 17, 2017, the Company timely submitted a plan to Nasdaq detailing how it planned to regain compliance with Nasdaq's continued listing requirements.

On July 26, 2017, Nasdaq granted the Company an exception from its continued listing requirements until November 13, 2017 to file all delinquent periodic reports, including the delinquent Form 10-Q for the quarterly period ended March 31, 2017. In connection with the Company's delinquency in filing the Form 10-Q for the quarterly period ended June 30, 2017, Nasdaq has requested an update to the Company's original plan to regain compliance with Nasdaq's continued listing requirements.

On August 16, 2017, the Company received notice from Nasdaq indicating that it was not in compliance with the Rule because the Company had not yet filed the Form 10-Q for the quarterly period ended June 30, 2017.

On November 15, 2017, the Company received a letter from the Staff of Nasdaq notifying it that since the Company remained delinquent in filing the Form 10-Q for the quarterly periods ended March 31, 2017, June 30, 2017 and September 30, 2017, it had not regained compliance with the Rule. Previously, Nasdaq granted an extension until November 13, 2017 to file all delinquent periodic reports. As described in the letter, as a result of the continued delinquency, the Company's common stock was subject to being delisted unless it timely requested a hearing before a Nasdaq Hearings Panel (the "Panel").

On December 6, 2017, the Company received a letter from Nasdaq granting the Company's request to extend the stay of suspension pending a hearing before the Panel, in late January 2018. In early February 2018, the Nasdaq granted the Company an extension until May 10, 2018 to regain compliance with Nasdaq's listing requirements.

On February 6, 2018, the Company received a notification letter from a Hearings Advisor from the Nasdaq Office of General Counsel informing the Company that the Panel granted the Company's request for an extension until May 10, 2018 to become current with its filings with the SEC. Additionally, the extension was subject to the Company providing the Panel with periodic updates regarding its ongoing restatement of its financial statements and providing the Panel with an update issued to investors on or before June 30, 2018. The Panel granted the Company the maximum possible extension until the expiration of the Panel's

discretion to allow continued listing while the Company remained out of compliance with Nasdaq's continued listing requirements. To comply with Nasdaq extension requirements, the Company issued an update to investors on March 28, 2018.

On May 4, 2018, the Company informed the Panel of its determination that it would be unable to satisfy the May 10, 2018 deadline. On May 11, 2018, the Company received a notification letter from the Panel indicating that trading in the Company's common stock was suspended effective at the open of business on May 14, 2018. The Panel also determined to delist the Company's shares from Nasdaq after applicable appeal periods have lapsed. The Company has appealed the decision to the Nasdaq Listing and Hearing Review Council. During the appeal process, the Company's stock remains listed however trading in the Company's common stock on Nasdaq remains suspended. While the Company's common stock is suspended from trading on Nasdaq, the Company's shares are quoted on the OTC Markets under the trading symbol SNCR.

13. Subsequent Events Review

The Company has evaluated all subsequent events through the filing date of this form 10-Q for appropriate accounting and disclosures, and there are no subsequent event disclosures required.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide a reader of our financial statements with a narrative from the perspective of our management on our financial condition, results of operations, liquidity and certain other factors that may affect our future results. The following discussion and analysis should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes included in Item 1 "Financial Information" of this Form 10-Q.

The words "Synchronoss," "we," "our," "ours," "us," and the "Company" refer to Synchronoss Technologies, Inc. and its consolidated subsidiaries. This quarterly report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties and are based on the beliefs and assumptions of our management based on information currently available to our management. Use of words such as "believes," "expects," "anticipates," "intends," "plans," "hopes," "should," "continues," "seeks," "likely" or similar expressions, indicate a forward-looking statement. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions. Actual results may differ materially from the forward-looking statements we make. We caution investors not to place substantial reliance on the forward-looking statements included in this quarterly report. These statements speak only as of the date of this quarterly report, and we undertake no obligation to update or revise the statements in light of future developments. All numbers are expressed in thousands unless otherwise stated.

Overview

Synchronoss Technologies, Inc. ("Synchronoss" or the "Company") is a global software and services company that provides essential technologies for the mobile transformation of business. The Company's portfolio, which is targeted at the Consumer and Enterprise markets, contains offerings such as personal cloud, secure-mobility, identity management and scalable messaging platforms, products and solutions. These essential technologies create a better way of delivering the transformative mobile experiences that service providers and enterprises need to help them stay ahead of the curve in competition, innovation, productivity, growth and operational efficiency.

Synchronoss' products and platforms are designed to be carrier-grade, flexible and scalable, enabling multiple converged communication services to be managed across a range of distribution channels including e-commerce, m-commerce, telesales, customer stores, indirect and other retail outlets. This business model allows the Company to meet the rapidly changing converged services and connected devices offered by their customers. Synchronoss' products, platforms and solutions enable its enterprise and service provider customers to acquire, retain and service subscribers and employees quickly, reliably and cost-effectively with white label and custom-branded solutions. Synchronoss customers can simplify the processes associated with managing the customer experience for procuring, activating, connecting, backing-up, synchronizing and sharing/collaboration with connected devices and contents from these devices and associated services. The extensibility, scalability, reliability and relevance of the Company's platforms enable new revenue streams and retention opportunities for their customers through new subscriber acquisitions, sale of new devices, accessories and new value-added service offerings in the Cloud. By using the Company's technologies, Synchronoss customers can optimize their cost of operations while enhancing their customer experience.

The Company currently operates in and markets their solutions and services directly through their sales organizations in Americas, EMEA, and APAC. Synchronoss delivers essential technologies for mobile transformation to two primary types of customers: service provider and enterprise customers in regulated verticals and use cases.

Revenues

We generate a majority of our revenues on a per transaction or subscription basis, which is derived from contracts that extend up to 60 months from execution.

During the six months ended June 30, 2018, the Company made significant changes in its accounting policies over revenue recognition, to align with the adoption of Topic 606. These updates are described in *Note 2 - Basis of Presentation and Consolidation*.

The future success of our business depends on the continued growth of Business to Business and Business to Business to Consumer driving customer transactions, and continued expansion of our platforms into the TMT Market globally through Digital Transformation, Messaging, Cloud and Internet of Things ("IoT") markets. As such, the volume of transactions and our ability to expand our footprint in TMT and globally may result in revenue fluctuations on a quarterly basis.

Most of our revenues are recorded in U.S. dollars but as we continue to expand our footprint with international carriers we will become subject to currency translation that could affect our future net sales as reported in U.S. dollars.

Our top five customers accounted for 69% and 77% of net revenues for the six month periods ended June 30, 2018 and 2017, respectively. Contracts with these customers typically run for three to five years. Of these customers, Verizon accounted for more than 10% of revenues in 2018 and 2017. The loss of Verizon as a customer would have a material negative impact on our company. However, we believe that the costs incurred to replace Synchronoss' solutions would be substantial.

Key Developments

Honeybee Acquisition

In May 2018, the Company completed the acquisition of the honeybee software business ("honeybee"), a provider of digital solutions targeted at optimizing the customer experience from Dixons Carphone plc which offers a digital transformation platform that makes it easier for companies to design and launch omni-channel customer journeys. Consideration paid by the Company consisted of approximately $9.8 million in cash and $8.7 million to be transferred over the next three years. As of June 30, 2018 the preliminary opening balance sheet reflected intangible assets and net working capital in the amount of $8.9 million and $9.6 million respectively. Customers of the honeybee platform, such as mobile operators and other communication service providers, can rapidly create and adapt digital sales processes for contact centers, retail stores, and online channels. This helps reduce complexity for the end-user as well as internal employees, while delivering a single customer experience at all touch-points and improved business outcomes such as reduced cost and increased revenue. The acquisition did not have a material impact on the Company's Condensed Consolidated Statements of Operations.

Intralinks Acquisition and Divestiture

On January 19, 2017, we completed the acquisition of Intralinks for approximately $815.0 million, net of cash acquired. In connection with the acquisition, we entered into a $900.0 million 2017 Term Facility as of the date of acquisition. Intralinks is a global technology provider of SaaS solutions for secure enterprise content collaboration within and among organizations. Intralinks' cloud-based solutions enable organizations to securely manage, control, track, search, exchange and collaborate on sensitive information inside and outside the firewall. The total purchase price consideration consisted of the repayment of existing Intralinks indebtedness, and non-cash consideration for services rendered on unvested Intralinks equity awards that were converted into the Company equity awards on the acquisition date. The acquisition was primarily funded from the proceeds of the $900.0 million credit agreement as of the date of acquisition.

On June 23, 2017, we received a non-binding indication of interest from Siris to acquire the Company. In light of the indication of interest, our Board of Directors decided to explore a broad range of strategic alternatives that would have the potential to unlock shareholder value. In October 2017, we concluded our review of strategic alternatives and determined that the best approach for the Company to achieve the goal of maximizing shareholder value was to focus on its core TMT business, divest non-core assets and improve our balance sheet strength, cash position and potential profitability. Under the terms of certain definitive agreements, investment funds affiliated with Siris acquired all of the stock of our wholly-owned subsidiary, Intralinks, for consideration of cash and an investment in convertible preferred equity of the Company.

On October 17, 2017, we announced our entry into definitive agreements for the sale of Intralinks, and the right to sell a newly created series of preferred stock of Synchronoss to affiliates of Siris. Subject to the terms and conditions set forth in the Share Purchase Agreement, among Synchronoss, Intralinks and Impala, Impala agreed to acquire from us the issued and outstanding shares of common stock of Intralinks as part of the Intralinks Transaction. The total amount of funds used to complete the Intralinks Transaction and related transactions and pay related fees and expenses was approximately $1.0 billion, which was funded through a combination of equity and debt financing obtained by Impala.

Subsequently, on November 14, 2017, we completed the sale of Intralinks to Impala, for approximately $991.0 million in cash, subject to post-closing adjustments for changes in cash, debt and working capital. As a result of the sale, we prepaid the remaining balance on the 2017 Term Facility. If, in the future, Impala receives net cash proceeds in excess of $440.0 million from any sale of equity or assets of Intralinks, or a dividend or distribution in respect of the shares of Intralinks, then Impala is required to pay us up to an additional $25.0 million in cash or publicly traded securities. Immediately following the consummation of the Intralinks Transaction, we paid to Impala $5.0 million as partial reimbursement of the out-of-pocket fees and expenses incurred by Impala, Siris and their respective affiliates in connection with the execution of the Share Purchase Agreement and the Intralinks Transaction. Amounts reimbursed were recorded as a reduction in the gain on sale. The operations of Intralinks were presented as discontinued operations in 2017.

For further details, see *Note 3 - Acquisitions and Divestitures* of the Notes to Condensed Consolidated Financial Statements in Item 1 of this Form 10-Q.

Other Recent Divestitures

On February 1, 2017, we completed the divestiture of our SpeechCycle business for consideration of $13.5 million to an unrelated third party. As part of the divestiture, we entered into a one-year transition services agreement with the acquirer to support various indirect activities such as customer software support, technical support services and maintenance and support services. These services were terminated during the first quarter of 2018. We recorded a pre-tax gain of $4.9 million as a result of the divestiture which is included in other income (expense), net in the Condensed Consolidated Statement of Operations.

For further details, see *Note 3 - Acquisitions and Divestitures* of the Notes to Condensed Consolidated Financial Statements in Item 1 of this Form 10-Q.

Current Trends Affecting Our Results of Operations

Business from our Synchronoss Personal Cloud solution has been driven by the growth in mobile devices globally that are becoming content rich. As these devices replace other traditional devices like PC's, the ability to securely back up content from mobile devices, sync it with other devices and share it with family, friends and business associates have become essential needs and subscriber expectations. Such devices include smartphones, connected cars, personal health and wellness devices and connected home devices. The need for the contents of these devices to be stored in a common cloud are also expected to be drivers of our business in the longer term.

Business from our traditional Synchronoss Messaging business (Email) has been driven by a resurgence in the need for white label secure messaging platforms that favor the Mobile Network Operator's ("MNO") business objectives and are not beholden to the objectives of a sponsoring over-the-top ("OTT") platform. Messaging drives higher subscriber engagement than any other application in the market today and holds the potential to stimulate new revenue from traditional services and third party brands. OTT global success has driven MNO'S to look at opportunities to preempt and compete with the OTT'S which has potential opportunity for Synchronoss. Future growth will be driven by the need of TMT companies including (and especially) MNO's to embrace Messaging as a Platform ("MaaP") to converse with subscribers in an efficient, automated way (streamlining the costs and increasing the effectiveness of self-care, as well as the yield of cross-sell upselling of service plans, devices, bundles, etc.). The Synchronoss Advanced Messaging Platform provides state of the art RCS-driven features including the ability to support advanced Peer to Peer communications and introduce new revenue streams driven by commerce and advertising via Application to Person capabilities.

Companies in the TMT market all face the dilemma of attempting to pivot their businesses to digital execution in order to create experiences that meet the expectations of their subscribers, generate new revenues and streamline costs creating healthier margins at a faster time to market than they have ever operated before. Their challenges feature the lack of skill set to conceptualize and run day to day digital operations and the lack of resources to integrate their legacy back end systems to enact digital experiences that achieve their business objectives. The growth of Synchronoss Digital Platforms will be driven by the ability to provide TMT companies' desire to obtain digital transformation solutions as quickly as possible while educating them on the ability to operate a digital business efficiently. Our Platform as a Service ("PaaS") model provides a desirable alternative to heavy capital expenditure spending options often tried internally. The ability for our platforms to create low/no code, new customer digital journeys, virtually on the fly, give TMT Companies the ability to operate new experiences and businesses without heavily investing in development resources.

Synchronoss Advanced Messaging, Cloud and Digital Platforms are poised to bring IoT initiatives to life across MNO and TMT companies creating new use cases that will help stimulate the commercial growth of the robust potential of the IoT market. As new devices and sensors come online in connected cities, Synchronoss, partnering with carriers like AT&T, has technology to unify and harness data from legacy systems; provide analytic insights that fuel automated communications, via our Advanced Messaging Platform between sensors, devices and people; and create a common storage reservoir with our secure cloud. There is opportunity in many areas of the IoT ecosystem for Synchronoss to support utilizing our Activation, Cloud and Analytics tools.

To support our growth, which will be driven by these favorable industry trends mentioned above, we will leverage modular components from our existing software platforms to build new products. We believe that these opportunities will continue to provide future benefits and position us for future revenue growth. We are also making investments in research and development of new products designed to enable us to grow rapidly in the mobile wireless market. Our purchase of capital assets and equipment may also increase based on aggressive deployment, subscriber growth and promotional offers for free or bundled storage by our major Tier 1 carrier customers.

We continue to expand our platforms into the converging TMT, MNO, Digital and IoT spaces to enable connected devices to do more things across multiple networks, brands and communities. Our initiatives with AT&T, Verizon, Sprint, British Telecom, Softbank and other CSPs continue to grow both with regard to our current business as well as our new product offerings. We are also exploring additional opportunities through merger and acquisition activities to support our customer, product and geographic diversification strategies.

Results of Operations

Three months ended June 30, 2018 compared to the three months ended June 30, 2017

The following table presents an overview of our results of operations for the three months ended June 30, 2018 and 2017 (in thousands):

	Three Months Ended June 30,		
	2018	**2017**	**$ Change**
Net revenues	$ 76,742	$ 118,990	$ (42,248)
Cost of revenues*	39,525	47,755	(8,230)
Research and development	20,200	20,819	(619)
Selling, general and administrative	33,938	29,353	4,585
Restructuring charges	2,778	6,405	(3,627)
Depreciation and amortization	23,401	23,552	(151)
Total costs and expenses	119,842	127,884	(8,042)
Loss from continuing operations	$ (43,100)	$ (8,894)	$ (34,206)

* Cost of revenues excludes depreciation and amortization which is shown separately.

Net revenues decreased $42.2 million to $76.7 million for the three months ended June 30, 2018, compared to the same period in 2017. This was due to:

- a $44.9 million decrease in Cloud revenues primarily resulting from:
  - recognition in the three months ended June 30, 2017 of revenue from prior periods that was restated due to the conclusive evidence of arrangement of $24.3 million;
  - a change in the business model related to our cloud business of $14.2 million;
  - restated revenue of $4.1 million from revenue recognition adjustments related to hosting services; and
  - a reduction in subscription revenue from a decline in business volume of $2.3 million.
- a $9.1 million decrease in Digital Transformation revenues due to:
  - a reduction in transaction revenue of $3.5 million resulting from a decline in business volume of $2.7 million and $0.8 million from a change in revenue recognition criteria;
  - a reduction in subscription revenue of $3.4 million resulting from a decline in business volume of $1.0 million and $2.4 million from a change in revenue recognition criteria;
  - a reduction in license revenue of $1.2 million resulting from a decline in license sales; and
  - a reduction in professional services revenue of $1.0 million.
- an increase in Messaging revenue of $2.5 million primarily due to new sales in the Japanese market;
- an increase of $9.3 million as a result of the Company's implementation of Topic 606. This resulted in an increase in Cloud revenues of $6.1 million; Digital Transformation revenue of $3.0 million and Messaging revenue of $0.2 million.

Cost of revenues decreased $8.2 million to $39.5 million for the three months ended June 30, 2018, compared to the same period in 2017, primarily due to cost savings initiatives implemented in 2017 which were realized in 2018. These initiatives resulted in a $5.2 million decrease in the use of outside consultants and a $3.0 million reduction in telecommunication and facility costs driven primarily by lower hosting fees.

Research and development expense decreased $0.6 million to $20.2 million for the three months ended June 30, 2018, compared to the same period in 2017, primarily due to cost savings initiatives implemented in 2017 which were realized in 2018. These initiatives resulted in a $2.0 million decrease in the use of outside consultants. Partially offsetting this decrease was $1.2 million in personnel related costs, including stock based compensation, and the savings realized in outside consultant fees.

Selling, general and administrative expense increased $4.6 million to $33.9 million for the three months ended June 30, 2018, compared to the same period in 2017. The increase was due primarily to $3.8 million in personnel related and stock based compensation costs related to executive new hires for 2018 and the remaining difference of $0.8 million was driven by outside consulting and other restatement related costs.

Restructuring charges decreased $3.6 million to $2.8 million for the three months ended June 30, 2018, compared to the same period in 2017. The expense in 2018 related to employment termination of contracted employees with termination benefits and other terminations following the acquisition of honeybee. In the prior year period, we commenced separate workforce reduction plans in March 2017 and June 2017 designed to reduce costs and align our resources with our key strategic priorities. Cash outlays for restructuring occur primarily in the quarter in which the plan is initiated or the subsequent quarter.

Depreciation and amortization expense decreased $0.2 million to $23.4 million for the three months ended June 30, 2018, compared to the same period in 2017. This was primarily due to decreased acquisition activity combined with the expiration of amortizable acquired assets, partially offset by increased amortization on capitalized software.

Interest income increased $0.7 million to $3.8 million for the three months ended June 30, 2018, compared to the same period in 2017. Interest income increased primarily due to a higher PIK Note balance compared to the respective prior year period.

Interest expense decreased $10.5 million to $1.3 million for the three months ended June 30, 2018, compared to the same period in 2017. This was primarily due to decreased borrowings outstanding in 2018 resulting from the termination of our $900 million senior secured term loan (the "2017 Term Facility") in the fourth quarter of 2017.

Other income (expense), net changed $1.5 million to an expense of less than $0.1 million for the three months ended June 30, 2018, compared to $1.6 million in the same period in 2017. Other expense decreased primarily due to lower foreign currency losses in 2018 compared to the respective prior year period.

Equity method investment loss changed $0.2 million to a loss of less than $0.1 million for the three months ended June 30, 2018, compared to an income of $0.2 million for the same period in 2017. All equity method investment loss or income are the result of our 30% equity interest in STIN and vary based on the financial results of the investment company during the respective reporting period.

Income tax. We recognized approximately $0.6 million and $3.6 million in related income tax expenses during the three months ended June 30, 2018 and 2017, respectively. Our effective tax rate was approximately (1.4)% for the three months ended June 30, 2018, which was lower than our U.S. federal statutory rate primarily due to the full valuation allowance recorded in the fourth quarter of 2017. Our effective tax rate was approximately 18.7% for the three months ended June 30, 2017, which was lower than our U.S. federal statutory rate due to the unfavorable impact of losses in foreign jurisdictions, which have lower tax rates than the U.S.

Six months ended June 30, 2018 compared to the six months ended June 30, 2017

The following table presents an overview of our results of operations for the six months ended June 30, 2018 and 2017 (in thousands):

	Six Months Ended June 30,		
	2018	2017	$ Change
Net revenues	$ 160,451	$ 205,087	$ (44,636)
Cost of revenues*	84,074	93,810	(9,736)
Research and development	41,105	46,308	(5,203)
Selling, general and administrative	72,048	68,168	3,880
Restructuring charges	3,886	9,403	(5,517)
Depreciation and amortization	46,672	47,639	(967)
Total costs and expenses	247,785	265,328	(17,543)
Loss from continuing operations	$ (87,334)	$ (60,241)	$ (27,093)

* Cost of revenues excludes depreciation and amortization which is shown separately.

Net revenues decreased $44.6 million to $160.5 million for the six months ended June 30, 2018, compared to the same period in 2017. This was due to:

- a $63.5 million decrease in Cloud revenues resulting from:
  - revenue recognition in the first six months of 2017 of revenue from prior periods that was restated due to the conclusive evidence of arrangement of $21.7 million;
  - a change in the business model related to our cloud business of $32.0 million,
  - restated revenue of $6.9 million from revenue recognition adjustments related to hosting services; and
  - a reduction in subscription revenue from a decline in business volume of $2.9 million.
- a decrease of $16.5 million in Digital Transformation revenues due to:
  - a reduction in transaction revenue of $7.0 million resulting from a decline in business volume of $6.0 million and the divestiture of the SpeechCycle business of $1.0 million;
  - a reduction in subscription revenue of $4.3 million resulting from a decline in business volume of $3.2 million and $1.1 million from a change in revenue recognition criteria;
  - a reduction in license revenue of $3.0 million resulting from a decline in license sales,; and
  - a reduction in Professional Services revenue of $2.2 million.
- an increase in Messaging revenue of $15.1 million primarily due to the delivery of an advanced messaging solution to a customer in the Japanese market;
- an increase in revenues of $20.3 million as a result of the Company's implementation of Topic 606, which resulted in an increase in Cloud revenues of $11.0 million, Digital Transformation revenue of $8.9 million and Messaging revenue of $0.4 million.

Cost of revenues decreased $9.7 million to $84.1 million for the six months ended June 30, 2018, compared to the same period in 2017, primarily due to cost savings initiatives implemented in 2017, which were realized in 2018. These initiatives resulted in a $5.6 million decrease in the use of outside consultants and a $4.9 million reduction in telecommunication and facility costs driven primarily by lower hosting fees.

Research and development expense decreased $5.2 million to $41.1 million for the six months ended June 30, 2018, compared to the same period in 2017 primarily due to $5.3 million in decreased outside consulting fees based on 2018 realization of reduction in workforce and limiting consultant spend in the second half of 2017; $0.9 million in decreased personnel related costs due to headcount reductions; slightly offset by $0.6 million in increased project management software licensing fees; and $0.3 million in increased stock based compensation expense related to 2018 performance stock awards.

Selling, general and administrative expense increased $3.9 million to $72.0 million for the six months ended June 30, 2018, compared to the same period in 2017 primarily due to $7.7 million in increased outside consulting fees and $4.5 million in professional fees related to our financial restatement process; $4.5 million in incremental personnel and stock based compensation costs; partially offset by $11.7 million in decreased merger and acquisition costs related to Intralinks in the prior year period. The remaining decrease was driven by decreases in marketing expense, investor relations expense and non-income taxes.

Restructuring charges decreased $5.5 million to $3.9 million for the six months ended June 30, 2018. The expense in 2018 related to employment termination of contracted employees with termination benefits and other terminations following the acquisition of honeybee. In the prior year period, we commenced separate workforce reduction plans in March 2017 and June 2017 designed to reduce costs and align our resources with our key strategic priorities. Cash outlays for restructuring occur primarily in the quarter in which the plan is initiated or the subsequent quarter.

Depreciation and amortization expense decreased $1.0 million to $46.7 million for the six months ended June 30, 2018, compared to the same period in 2017. This was primarily due to decreased acquisition activity combined with the expiration of amortizable assets.

Interest income increased $1.4 million to $7.3 million for the six months ended June 30, 2018, compared to the same period in 2017. Interest income increased primarily due to a higher PIK Note balance compared to the respective prior year period.

Interest expense decreased $19.9 million to $2.6 million for the six months ended June 30, 2018, compared to the same period in 2017. This was primarily due to a decrease in our borrowings outstanding in 2018 after the termination of our $900 million senior secured term loan (the "2017 Term Facility") in the fourth quarter of 2017.

Other income (expense), net increased $1.6 million to a net other income of $4.3 million for the six months ended June 30, 2018, compared to the same period in 2017. Other net income increased primarily due to $3.8 million of income from the

remeasurement of a mandatorily redeemable financial instrument. Prior period other income comprised primarily of a $4.9 million pre-tax gain recognized on the divestiture of our SpeechCycle business offset by an unfavorable foreign exchange impact.

Equity method investment loss changed $1.2 million to a loss of $0.2 million for the six months ended June 30, 2018, compared to an income of $1.0 million for the same period in 2017. All equity method investment loss or income are the result of our 30% equity interest in STIN and vary based on the financial results of the investment company during the respective reporting period.

Income tax. The Company recognized approximately $0.7 million in related income tax expense and $5.1 million in related income tax benefit during the six months ended June 30, 2018 and 2017, respectively. The effective tax rate was approximately (0.9)% for the six months ended June 30, 2018, which was lower than the U.S. federal statutory rate primarily due to the full valuation allowance recorded in the fourth quarter of 2017. The Company's effective tax rate was approximately 7% for the six months ended June 30, 2017, which was lower than the U.S. federal statutory rate primarily due to the impact of losses in foreign jurisdictions which have lower tax rates than the U.S.

The Company reviews the expected annual effective income tax rate and makes changes on a quarterly basis as necessary based on certain factors such as changes in forecasted annual operating income, changes to the actual and forecasted permanent book-to-tax differences, and changes resulting from the impact of tax law changes.

Liquidity and Capital Resources

As of June 30, 2018, our principal sources of liquidity have been cash provided by operations and proceeds from divestitures. Our cash, cash equivalents, marketable securities and restricted cash balance was $240.7 million at June 30, 2018. We anticipate that our principal uses of cash in the future will be to fund the expansion of our business through both organic growth and acquisition activities and the expansion of our customer base. Uses of cash will also include facility and technology expansion, significant integration and restructuring activities, capital expenditures, and working capital.

At June 30, 2018, our non-U.S. subsidiaries held approximately $34.7 million of cash and cash equivalents that are available for use by all of our operations around the world. At this time, we believe the funds held by all non-U.S. subsidiaries will be permanently reinvested outside of the U.S. However, if these funds were repatriated to the U.S. or used for U.S. operations, certain amounts could be subject to U.S. tax for the incremental amount in excess of the foreign tax paid. Due to the timing and circumstances of repatriation of these earnings, if any, it is not practical to determine the unrecognized deferred tax liability related to the amount.

We believe that our existing cash, cash equivalents, marketable securities, and expected positive cash flows generated from operations will be sufficient to fund our operations for the next twelve months based on our current business plans. Our liquidity plans are subject to a number of risks and uncertainties, including those described in the "Forward-Looking Statements" section of this MD&A and Part I, Item 1A. "Risk Factors", some of which are outside of our control.

Convertible Senior Notes

On August 12, 2014, we issued the 2019 Notes. The 2019 Notes mature on August 15, 2019, and bear interest at a rate of 0.75% per annum payable semi-annually in arrears on February 15 and August 15 of each year. We accounted for the $230.0 million face value of the debt as a liability and capitalized approximately $7.1 million of financing fees, related to the issuance. At June 30, 2018, the carrying amount of the liability was $228.4 million and the outstanding principal of the 2019 Notes was $230.0 million, with an effective interest rate of approximately 1.38%. For further details, see *Note 6 - Debt* of the Notes to Condensed Consolidated Financial Statements in Item 1 of this Form 10-Q.

Share Repurchase Program

There were no repurchases in 2017 or 2018. In 2018, the Company retired 3.9 million shares of Common Stock that were previously repurchased in prior years. Any related additional paid in capital and par values were removed from the Common Stock numbers.

Shares of Preferred Stock

In accordance with the terms of the PIPE Purchase Agreement with Silver, on February 15, 2018, we issued to Silver 185,000 shares of our newly issued Series A Preferred Stock as part of the Preferred Transaction. In connection with the issuance of the Series A Preferred Stock, we (i) filed the Series A Certificate and (ii) entered into an Investor Rights Agreement. Pursuant to the

PIPE Purchase Agreement, at the closing, we paid to Siris $5.0 million as a reimbursement of Silver's reasonable costs and expenses incurred in connection with the Preferred Transaction.

Certificate of Designation of the Series A Preferred Stock

The rights, preferences, privileges, qualifications, restrictions and limitations of the shares of Series A Preferred Stock are set forth in the Series A Certificate. Under the Series A Certificate, the holders of the Series A Preferred Stock are entitled to receive Preferred Dividends. The Preferred Dividends are due on each Series A Dividend Payment Date. We may choose to pay the Preferred Dividends in cash or in additional shares of Series A Preferred Stock. In the event we do not declare and pay a dividend in-kind or in cash on any Series A Dividend Payment Date, the unpaid amount of the Preferred Dividend will be added to the Liquidation Preference. In addition, the Series A Preferred Stock participates in dividends declared and paid on shares of our common stock.

Each share of Series A Preferred Stock is convertible, at the option of the holder, into the number of shares of common stock equal to the "Conversion Price" (as that term is defined in the Series A Certificate) multiplied by the then applicable "Conversion Rate" (as that term is defined in the Series A Certificate). Each share of Series A Preferred Stock is initially convertible into 55.5556 shares of common stock, representing an initial "conversion price" of approximately $18.00 per share of common stock. The Conversion Rate is subject to equitable proportionate adjustment in the event of stock splits, recapitalizations and other events set forth in the Series A Certificate.

On and after the fifth anniversary of February 15, 2018, holders of shares of Series A Preferred Stock have the right to cause the Company to redeem each share of Series A Preferred Stock for cash in an amount equal to the sum of the current liquidation preference and any accrued dividends. Each share of Series A Preferred Stock is also redeemable at the option of the holder upon the occurrence of a "Fundamental Change" (as that term is defined in the Series A Certificate) at a specified premium ("Liquidation Value"). In addition, the Company is also permitted to redeem all outstanding shares of the Series A Preferred Stock at any time (i) within the first 30 months of the date of issuance for the sum of the then-applicable Liquidation Preference, accrued but unpaid dividends and a make whole amount (known as "Redemption Value") and (ii) following the 30-month anniversary of the date of issuance for the sum of the then-applicable Liquidation Preference and the accrued but unpaid dividends. As of June 30, 2018 the Liquidation Value and Redemption Value of the Preferred Shares was $325.6 million and $261.1 million respectively.

The holders of a majority of the Series A Preferred Stock, voting separately as a class, are entitled at each of our annual meetings of stockholders or at any special meeting called for the purpose of electing directors (or by written consent signed by the holders of a majority of the then-outstanding shares of Series A Preferred Stock in lieu of such a meeting): (i) to nominate and elect two members of our Board of Directors for so long as the Preferred Percentage (as defined in the Series A Certificate) is equal to or greater than 10%; and (ii) to nominate and elect one member of our Board of Directors for so long as the Preferred Percentage is equal to or greater than 5% but less than 10%.

For so long as the holders of shares of Series A Preferred Stock have the right to nominate at least one director, we are required to obtain the prior approval of Silver prior to taking certain actions, including: (i) certain dividends, repayments and redemptions; (ii) any amendment to our certificate of incorporation that adversely effects the rights, preferences, privileges or voting powers of the Series A Preferred Stock; (iii) issuances of stock ranking senior or equivalent to shares of Series A Preferred Stock (including additional shares of Series A Preferred Stock) in the priority of payment of dividends or in the distribution of assets upon any liquidation, dissolution or winding up of us; (iv) changes in the size of our Board of Directors; (v) any amendment, alteration, modification or repeal of the charter of our Nominating and Corporate Governance Committee of the Board of Directors and related documents; and (vi) any change in our principal business or the entry into any line of business outside of our existing lines of businesses. In addition, in the event that we are in EBITDA Non-Compliance (as defined in the Series A Certificate) or the undertaking of certain actions would result in us exceeding a specified pro forma leverage ratio, then the prior approval of Silver would be required to incur indebtedness (or alter any debt document) in excess of $10.0 million, enter or consummate any transaction where the fair market value exceeds $5.0 million individually or $10.0 million in the aggregate in a fiscal year or authorize or commit to capital expenditures in excess of $25.0 million in a fiscal year.

Each holder of Series A Preferred Stock has one vote per share on any matter on which holders of Series A Preferred Stock are entitled to vote separately as a class, whether at a meeting or by written consent. The holders of Series A Preferred Stock are permitted to take any action or consent to any action with respect to such rights without a meeting by delivering a consent in writing or electronic transmission of the holders of the Series A Preferred Stock entitled to cast not less than the minimum number of votes that would be necessary to authorize, take or consent to such action at a meeting of stockholders. In addition to any vote (or action taken by written consent) of the holders of the shares of Series A Preferred Stock as a separate class provided for in the Series A Certificate or by the General Corporation Law of the State of Delaware, the holders of shares of the Series A Preferred Stock are entitled to vote with the holders of shares of common stock (and any other class or series that may similarly be entitled

to vote on an as-converted basis with the holders of common stock) on all matters submitted to a vote or to the consent of the stockholders of the Company (including the election of directors) as one class.

Under the Series A Certificate, if Silver and certain of its affiliates have elected to effect a conversion of some or all of their shares of Series A Preferred Stock and if the sum, without duplication, of (i) the aggregate number of shares of our common stock issued to such holders upon such conversion and any shares of our common stock previously issued to such holders upon conversion of Series A Preferred Stock and then held by such holders, plus (ii) the number of shares of our common stock underlying shares of Series A Preferred Stock that would be held at such time by such holders (after giving effect to such conversion), would exceed the 19.9% of the issued and outstanding shares of our voting stock on an as converted basis (the "Conversion Cap"), then such holders would only be entitled to convert such number of shares as would result in the sum of clauses (i) and (ii) (after giving effect to such conversion) being equal to the Conversion Cap (after giving effect to any such limitation on conversion). Any shares of Series A Preferred Stock which a holder has elected to convert but which, by reason of the previous sentence, are not so converted, will be treated as if the holder had not made such election to convert and such shares of Series A Preferred Stock will remain outstanding. Also, under the Series A Certificate, if the sum, without duplication, of (i) the aggregate voting power of the shares previously issued to Silver and certain of its affiliates held by such holders at the record date, plus (ii) the aggregate voting power of the shares of Series A Preferred Stock held by such holders as of such record date, would exceed 19.99% of the total voting power of our outstanding voting stock at such record date, then, with respect to such shares, Silver and certain of its affiliates are only entitled to cast a number of votes equal to 19.99% of such total voting power. The limitation on conversion and voting ceases to apply upon receipt of the requisite approval of holders of our common stock under the applicable listing standards.

Form of Investor Rights Agreement

Concurrently with the closing of the Preferred Transaction, Synchronoss and Silver entered into an Investor Rights Agreement. Under the terms of the Investor Rights Agreement, Silver and Synchronoss have agreed that, effective as of the closing of the Preferred Transaction, the Board of Directors of Synchronoss will consist of ten members. From and after the closing of the Preferred Transaction, so long as the holders of Series A Preferred Stock have the right to nominate a member to the Board of Directors pursuant to the Series A Certificate, the Board of Directors of Synchronoss will consist of (i) two directors nominated and elected by the holders of shares of Series A Preferred Stock; (ii) four directors who meet the independence criteria set forth in the applicable listing standards (each of whom will be initially agreed upon by Synchronoss and Silver); and (iii) four other directors, two of whom shall satisfy the independence criteria of the applicable listing standards and, as of the closing of the Preferred Transaction, one of whom shall be the individual then serving as chief executive officer of Synchronoss and one of whom shall be the current chairman of the Board of Directors of Synchronoss as of the date of execution of the Investors Rights Agreement. Following the closing of the Preferred Transaction, so long as the holders of Series A Preferred Stock have the right to nominate at least one director to the Board of Directors of Synchronoss pursuant to the Series A Certificate, Silver will have the right to designate two members of the Nominating and Corporate Governance Committee of the Board of Directors.

Pursuant to the terms of the Investor Rights Agreement, neither Silver nor its affiliates may transfer any shares of Series A Preferred Stock subject to certain exceptions (including transfers to affiliates that agree to be bound by the terms of the Investor Rights Agreement).

For so long as Silver has the right to appoint a director to the Board of Directors of Synchronoss, without the prior approval by a majority of directors voting who are not appointed by the holders of shares of Series A Preferred Stock, neither Silver nor its affiliates will directly or indirectly purchase or acquire any debt or equity securities of Synchronoss (including equity-linked derivative securities) if such purchase or acquisition would result in Silver's Standstill Percentage (as defined in the Investor Rights Agreement) being in excess of 30%. However, the foregoing standstill restrictions would not prohibit the purchase of shares pursuant to the PIPE Purchase Agreement or the receipt of shares of Series A Preferred Stock issued as Preferred Dividends pursuant to the Series A Certificate, shares of Common Stock received upon conversion of shares of Series A Preferred Stock or receipt of any shares of Series A Preferred Stock, Common Stock or other securities of the Company otherwise paid as dividends or as an increase of the Liquidation Preference (as defined in the Series A Certificate) or distributions thereon. Silver will also have preemptive rights with respect to issuances of securities of Synchronoss in order to maintain its ownership percentage.

Under the terms of the Investor Rights Agreement, Silver will be entitled to (i) three demand registrations, with no more than two demand registrations in any single calendar year and provided that each demand registration must include at least 10% of the shares of Common Stock held by Silver, including shares of Common Stock issuable upon conversion of shares of Series A Preferred Stock and (ii) unlimited piggyback registration rights with respect to primary issuances and all other issuances.

Discussion of Cash Flows

A summary of net cash flows follows (in thousands):

	Six Months Ended June 30,	
	2018	2017
Net cash provided by (used in):		
Operating activities	$ (71,381)	$ (20,301)
Investing activities	(33,232)	(817,863)
Financing activities	85,502	847,319

Cash flows from operating activities for the six months ended June 30, 2018 was a $71.4 million use of cash, as compared to $20.3 million of cash used by operating activities for the same period in 2017. The increase of cash used in operating activities of $51.1 million was primarily due to unfavorable changes in cash earnings of $34.0 million and working capital of $17.1 million.

Cash flows from investing for the six months ended June 30, 2018 was a use of cash of $33.2 million, as compared to $817.9 million in cash used for investing activities during the same period in 2017. The decrease of $784.7 million in cash used in investing activities was due primarily to cash used for the acquisition of Intralinks in 2017.

Cash flows from financing for six months ended June 30, 2018 was $85.5 million, as compared to $847.3 million of cash provided by financing activities for the same period in 2017. The decrease of $761.8 million in cash provided from financing activities was primarily due to proceeds from the issuance of debt in relation to our acquisition of Intralinks in 2017, partially offset by related debt issuance costs, the repayment of previously existing debt in 2017 and proceeds from the issuance of preferred stock in 2018.

Effect of Inflation

Although inflation generally affects us by increasing our cost of labor and equipment, we do not believe that inflation has had any material effect on our results of operations for the six months ended June 30, 2018 and 2017.

Contractual Obligations

Our contractual obligations consist of principal and interest related to our Convertible Senior Notes and 2017 Term Facility, contingent consideration, non-cancelable capital leases, operating leases or long-term agreements for office space, automobiles, office equipment and colocation services and contractual commitments under third-party hosting, software licenses and maintenance agreements. The following table summarizes our long-term contractual obligations as of June 30, 2018 (in thousands).

	Payments Due by Period				
	Total	Remainder of 2018	2019 - 2021	2022 - 2023	Thereafter
Capital lease obligations [1]	$ 14,425	$ 1,687	$ 4,301	$ 2,563	$ 5,874
Convertible Senior Notes	230,000	—	230,000	—	—
Interest [2]	1,941	863	1,078	—	—
Operating lease obligations	79,010	4,822	20,109	17,831	36,248
Purchase obligations [3]	11,593	2,725	8,868	—	—
Other long-term liabilities [4]	4,533	3,466	1,067	—	—
Total	$ 341,502	$ 13,563	$ 265,423	$ 20,394	$ 42,122

(1) Amount includes the Pennsylvania facility lease and the cloud hosting data center in England.
(2) Represents the interest on the 2019 Notes.
(3) Amount represents obligations associated with colocation agreements and other customer delivery related purchase obligations.
(4) Amount represents unrecognized tax positions recorded in our balance sheet. Although the timing of the settlement is uncertain, we believe this amount will be settled within three years.

Uncertain Tax Positions

Unrecognized tax benefits of $6.5 million at June 30, 2018 are excluded from the table above as we are not able to reasonably estimate when we would make any cash payments required to settle these liabilities, but we do not believe that the ultimate settlement of our obligations will materially affect our liquidity. We do not expect that the balance of unrecognized tax benefits will significantly increase or decrease over the next twelve months.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements and accompanying notes have been prepared in accordance with U.S. GAAP. The preparation of these condensed consolidated financial statements in accordance with U.S. GAAP requires us to utilize accounting policies and make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies as of the date of the financial statements and the reported amounts of revenues and expenses during a fiscal period. The SEC considers an accounting policy to be critical if it is important to a company's financial condition and results of operations, and if it requires significant judgment and estimates on the part of management in its application. We have discussed the selection and development of the critical accounting policies with the Audit Committee, and the Audit Committee has reviewed our related disclosures in this Form 10-Q. Although we believe that our judgments and estimates are appropriate, correct and reasonable under the circumstances, actual results may differ from those estimates. If actual results or events differ materially from those contemplated by us in making these estimates, our reported financial condition and results of operations for future periods could be materially affected. See Part II, "Item 1A. Risk Factors" in this Form 10-Q for certain matters bearing risks on our future results of operations.

During the six months ended June 30, 2018, the Company made significant changes in its accounting policies over revenue recognition, to align with the adoption of Topic 606. These updates are described in detail in *Note 2 - Basis of Presentation and Consolidation*. Aside from the adoption of Topic 606, there were no significant changes in our critical accounting policies and estimates discussed in our Form 10-K/A for the year ended December 31, 2017 during the six months ended June 30, 2018. Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Part II, Item 7 of our Annual Report on Form 10-K/A for the year ended December 31, 2017 for a more complete discussion of our critical accounting policies and estimates.

Recently Issued Accounting Standards

For a discussion of recently issued accounting standards see *Note 2, "Basis of Presentation and Consolidation"* included in Part I, Item 1. "Notes to Condensed Consolidated Financial Statements (unaudited)" of this Quarterly Report on Form 10-Q.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements as of June 30, 2018 and December 31, 2017 that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

The following discussion about market risk disclosures involves forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. We deposit our excess cash in what we believe are high-quality financial instruments, primarily money market funds and certificates of deposit and, we may be exposed to market risks related to changes in interest rates. We do not actively manage the risk of interest rate fluctuations on our marketable securities; however, such risk is mitigated by the relatively short-term nature of these investments. These investments are denominated in United States dollars.

The primary objective of our investment activities is to preserve our capital for the purpose of funding operations, while at the same time maximizing the income we receive from our investments without significantly increasing risk. To achieve these objectives, our investment policy allows us to maintain a portfolio of cash equivalents and short- and long-term investments in a variety of securities, which could include commercial paper, money market funds and corporate and government debt securities. Our cash, cash equivalents and marketable securities at June 30, 2018 and December 31, 2017 were invested in liquid money market accounts, certificates of deposit and government securities. All market-risk sensitive instruments were entered into for non-trading purposes.

Foreign Currency Exchange Risk

We are exposed to translation risk because certain of our foreign operations utilize the local currency as their functional currency and those financial results must be translated into U.S. dollars. As currency exchange rates fluctuate, translation of the financial statements of foreign businesses into U.S. dollars affects the comparability of financial results between years.

We do not hold any derivative instruments and do not engage in any hedging activities. Although our reporting currency is the U.S. dollar, we may conduct business and incur costs in the local currencies of other countries in which we may operate, make sales and buy materials and services. As a result, we are subject to foreign currency transaction risk. Further, changes in exchange rates between foreign currencies and the U.S. dollar could affect our future net sales, cost of sales and expenses and could result in foreign currency transaction gains or losses.

We cannot accurately predict future exchange rates or the overall impact of future exchange rate fluctuations on our business, results of operations and financial condition. To the extent that our international activities recorded in local currencies increase in the future, our exposure to fluctuations in currency exchange rates will correspondingly increase and hedging activities may be considered if appropriate.

Interest Rate Risk

We are exposed to the risk of interest rate fluctuations on the interest income earned on our cash and cash equivalents. A hypothetical 100 basis point movement in interest rates applicable to our cash and cash equivalents outstanding at June 30, 2018 would increase interest income by less than $2.2 million on an annual basis.

As of June 30, 2018, we held a contingent derivative interest fair valued at $0.3 million.

ITEM 4. CONTROLS AND PROCEDURES

Background

In connection with the preparation of the Company's Form 10-Q for the first quarter of 2017 and a related internal investigation commenced by the Audit Committee, certain adjustments related to the Company's accounting treatment for software license revenue were identified. The Company subsequently completed additional accounting review procedures and identified other adjustments.

The accounting adjustments referenced above resulted from certain material weaknesses in our internal control over financial reporting. Management determined these material weaknesses and other control deficiencies were primarily the result of an ineffective control environment. As a result, the Company lacked effective control activities necessary to prepare accurate financial statements and ensure compliance with regulatory filing requirements applicable to public companies. These material weaknesses are further described in subsection "Evaluation of Disclosure Controls and Procedures" in Part II, Item 9A of our Annual Report on Form 10-K/A for the year ended December 31, 2017.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a discussion of our material pending legal proceedings that could impact our results of operations, financial condition or cash flows see *Note 12, "Commitments and Contingencies"* included in Part I, Item 1. "Notes to Condensed Consolidated Financial Statements (unaudited)" of this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K/A for the year ended December 31, 2017, which could materially affect our business, financial condition or future results. The risks described in our Form 10-K/A are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. If any of the risks actually occur, our business, financial condition or results of operations could be adversely affected. In that case, the trading price of our stock could decline, and our stockholders may lose part or all of their investment.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of the Registrant, incorporated by reference to Registrant's Registration Statement on Form S-1 (Commission File No. 333-132080).
3.2	Amended and Restated Bylaws of the Registrant, incorporated by reference to Registrant's Registration Statement on Form S-1 (Commission File No. 333-132080).
3.3	Certificate of designations of Series A Convertible Participating Perpetual Preferred Stock
4.1	Reference is made to Exhibits 3.1, 3.2 and 3.3.
4.2	Form of Common Stock Certificate, incorporated by reference to Registrant's Registration Statement on Form S-1 (Commission File No. 333-132080)
4.3	Form of Indenture for Convertible Senior Notes, incorporated by reference to Registrant's Registration Statement on Form S-3 (Commission File No. 333-197871)
4.4	Investor Rights Agreement by and between Synchronoss Technologies, Inc. and Silver Private Holdings I, LLC dated as of February 15, 2018, incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on February 20, 2018.
10.1	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers, incorporated by reference to Registrant's Registration Statement on Form S-1 (Commission File No. 333-132080).
10.4†*	Employment Agreement dated as of January 1, 2017 between the Registrant and Stephen G. Waldis.
10.5†*	Tier One Executive Employment Plan effective March 24, 2017.
10.6†*	Employment Agreement dated as of April 27, 2017 between the Registrant and Lawrence R. Irving.
10.7†*	Employment Agreement dated as of May 1, 2017 between the Registrant and Robert Garcia.
10.8†*	Executive Employment Letter dated as of May 5, 2017 between the Registrant and Daniel Rizer.
10.9†*	Executive Employment Letter dated as of May 5, 2017 between the Registrant and Christopher Putnam.
10.12‡*	Application Service Provider Agreement retroactively effective as of April 1, 2013 by and between the Registrant and Verizon Sourcing LLC.
10.13‡*	Change Request No 8 effective January 1, 2018 to SOW No.1 Application Service Provider Agreement to effective as of April 1, 2013 by and between the Registrant and Verizon Sourcing LLC.
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and section 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and section 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Labels Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

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† Compensation Arrangement.
‡ Confidential treatment has been granted with respect to certain provisions of this exhibit.
* Agreement was previously filed, but is being refiled herewith in searchable format in accordance with applicable SEC rules and regulations.

SIGNATURES

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 thereunto duly authorized.

Synchronoss Technologies, Inc.

/s/ Glenn Lurie

Glenn Lurie
Chief Executive Officer
(Principal Executive Officer)

/s/ David Clark

David Clark
Chief Financial Officer & Treasurer

August 9, 2018

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of April 27, 2017 ("Commencement Date"), by and between Stephen G. Waldis (the "Executive") and Synchronoss Technologies, Inc., a Delaware corporation (the "Company"). Executive and the Company agree that the Employment Agreement dated as of January 1, 2015 between the Company and the Executive shall be terminated as of April 26, 2017.

Except as otherwise provided herein, defined terms are set forth in Section 10 below.

1.**Duties and Scope of Employment.**

(a) Position. For the term of his employment under this Agreement (the "Employment"), the Company agrees to employ Executive in the position of Chairman of the Board and Chief Executive Officer. Executive shall report to the Company's Board of Directors. Executive's principal workplace shall be in Bridgewater, New Jersey.

(a) **Obligations to the Company**. During his Employment, Executive (i) shall devote substantially all of his full business efforts and time to the Company, (ii) shall not engage in any other employment, consulting or other business activity that would create a conflict of interest with the Company, (iii) shall not assist any person or entity in competing with the Company or in preparing to compete with the Company, (iv) shall comply with the Company's policies and rules, as they may be in effect from time to time and (v) shall comply with the Proprietary Information and Inventions Agreement. This provision shall not restrict Executive's ability to sit on non-profit boards and, subject to Board approval, at least one corporate board.

(b) **No Conflicting Obligations**. Executive represents and warrants to the Company that he is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with his obligations under this Agreement. Executive represents and warrants that he will not use or disclose, in connection with his Employment, any trade secrets or other proprietary information or intellectual property in which Executive or any other person has any right, title or interest and that his Employment will not infringe or violate the rights of any other person. Executive represents and warrants to the Company that he has returned all property and confidential information belonging to any prior employer.

(c) **Indemnification/D&O Insurance**. To the maximum extent permitted by applicable law and the Company's by-laws, the Company shall indemnify Executive for all acts and omissions by him and any action on his part while acting in such capacity, and for losses that arise from serving at the request of the Company or a subsidiary thereof as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. Executive shall be covered by directors' and officers' liability insurance on a basis no less favorable than provided to directors and officers of the Company, including "tail" coverage.

(e) **Commencement Date**. Executive has previously commenced full-time Employment. This Agreement shall govern the terms of Executive's Employment effective as the Commencement Date through the Term (as defined in Section 5(a) below).

2. Compensation

(a) **Salary**. The Company shall pay Executive as compensation for his services a base salary at a gross annual rate of not less than $625,000. Such salary shall be payable in accordance with the Company's standard payroll procedures. (The annual compensation specified in this Subsection (a), together with any increases in such compensation that the Company may grant from time to time, is referred to in this Agreement as "Base Salary.")

(b) **Incentive Bonuses**. Executive shall be eligible for an annual incentive bonus with a target amount equal to 110% of his Base Salary (the "Target Bonus"). Executive's bonus (if any) shall be awarded based on criteria established by the Company's Board of Directors (the "Board") or its Compensation Committee. Executive shall not be entitled to an incentive bonus for a fiscal year if he is not employed by the Company on the last day of the fiscal year for which such bonus is payable or is provided notice of termination under Section 5(b) prior to such time. Any bonus for a fiscal year shall be paid within 2½ months after the close of that fiscal year. The determinations of the Board or its Compensation Committee with respect to such bonus shall be final and binding.

3. Paid Time Off and Employee Benefits. During his Employment, Executive shall be eligible for paid time off in accordance with the Company's paid time off policy, as it may be amended from time to time, with a minimum of 20 paid time off days per year (accruing for each year on the first day of such year), plus three floating holidays, and any United States Company-wide holidays; provided, however, Executive shall not be entitled to carry over any paid time off days from year to year. During his Employment, Executive shall be eligible to participate in the employee benefit plans maintained by the Company, subject in each case to the terms and conditions of the plan in question.

4. Business Expenses. During his Employment, Executive shall be authorized to incur necessary and reasonable travel, entertainment and other business expenses in connection with his duties hereunder. Notwithstanding anything to the contrary herein, except to the extent any expense or reimbursement provided pursuant to this Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code, (a) the amount of expenses eligible for reimbursement provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other

calendar year, (b) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred and (c) the right to payment or reimbursement hereunder may not be liquidated or exchanged for any other benefit.

5. Term of Employment.

(a) **Employment Term**. The Company hereby employs Executive to render services to the Company in the position and with the duties and responsibilities described in Section 1 for the period commencing on the Commencement Date and ending upon the earlier of (i) the date of Executive's resignation from the Company and (ii) the date Executive's Employment is terminated in accordance with Section 5(b) (the "Term").

(b) **Termination of Employment**. The Company may terminate Executive's Employment at any time and for any reason (or no reason), and with or without Cause, by giving Executive 30 days' advance notice in writing. Executive may terminate his Employment by giving the Company 30 days' advance notice in writing. The Company shall have the right at any time during such 30-day period, to relieve Executive of his offices, duties and responsibilities and place him on a paid leave-of-absence status, provided that during such notice period, Executive shall remain a full-time employee of the Company and shall continue to receive his then current salary compensation and other benefits as provided in this Agreement. Executive's Employment shall terminate automatically in the event of his death. The termination of Executive's Employment shall not limit or otherwise affect his obligations under Section 7.

(c) **Rights Upon Termination**. Upon Executive's termination of Employment for any reason, Executive shall be entitled to the compensation, benefits and reimbursements described in Sections 1, 2, 3, and 4 for the period preceding the effective date of such termination or otherwise accrued before such termination. Upon the termination of Executive's Employment under certain circumstances, Executive may be entitled to additional severance pay benefits described in Section 6. The payments under this Agreement shall fully discharge all responsibilities of the Company to Executive. This Agreement shall terminate when all obligations of the parties hereunder have been satisfied.

(d) **Rights Upon Death**. If Executive's Employment ends due to death, (A) Executive's estate shall be entitled to receive an amount equal to his target bonus for the fiscal year in which his death occurred (or, if greater, the bonus amount determined based on the applicable factors and actual performance for such fiscal year), prorated based on the number of days he was employed by the Company during that fiscal year and (B) all stock options, shares of restricted stock (other than performance-related restricted stock), and other time-based equity awards granted by the Company and held by Executive at the time of his death shall be fully vested. All amounts under this Section 5(d) shall be paid no later than the date all regular employees are paid their bonuses.

(e) **Rights Upon Permanent Disability**. If Executive's Employment ends due to Permanent Disability and a Separation occurs, (I) Executive shall be entitled to receive (i) an amount equal to his Target Bonus for the fiscal year in which his Employment ended (or, if reasonably ascertainable and greater, the bonus amount determined based on the applicable factors and actual performance for such fiscal year), prorated based on the number of days he was employed by the Company during that fiscal year, and (ii) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of Executive and his eligible dependents with respect to the Company's health insurance plans in which Executive and his eligible dependents were participants as of the date of Separation, and (II) all stock options, shares of restricted stock (other than performance-related restricted stock) and other time-based equity awards granted by the Company and held by Executive shall be fully vested as of the date of Executive's Separation. The amounts payable under this Section 5(e) shall be paid no later 60 days after Executive's Separation.

6. Termination Benefits.

(a) **Preconditions**. Any other provision of this Agreement notwithstanding, Subsections (b) and (c) below shall not apply unless Executive:

(i) Has executed (or, with respect to Section 5(d), the executor or his estate has executed) a general release of all claims Executive (or his executor or estate) may have against the Company or persons affiliated with the Company (substantially in the form attached hereto as Exhibit A) (the "Release");

(ii) Complies with Executive's obligations under Section 7 of this Agreement;

(iii) Has returned all property of the Company in Executive's possession; and

(iv) If requested by the Board, has resigned as a member of the Board and as a member of the boards of directors of all subsidiaries of the Company, to the extent applicable.

Executive must execute and return the Release within the period of time set forth in the Release (the "Release Deadline"). The Release Deadline will in no event be later than 50 days after Executive's Separation. If Executive fails to return the Release on or before the Release Deadline or if Executive revokes the Release, then Executive will not be entitled to the benefits described in this Section 6.

(b) **Severance Pay in the Absence of a Change in Control**. If, during the term of this Agreement and not at a time described in subsection (c) below, Executive resigns his Employment for Good Reason and a Separation occurs or the Company terminates Executive's Employment with the Company for a reason other than death, Cause or Permanent Disability and a Separation occurs,

then the Company shall pay Executive a lump sum severance payment equal to (i) two times (A) his Base Salary in effect at the time of the termination of Employment plus, (B) his average annual bonus based on the actual amounts received in the immediately preceding two years and (ii) the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of Executive and his eligible dependents with respect to the Company's health insurance plans in which Executive and his eligible dependents were participants as of the date of Separation. In the event that Executive Employment is terminated for a reason other than death, Cause or Permanent Disability or Executive resigns his Employment for Good Reason under this Subsection (b) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of termination if such termination under this Subsection (b) occurs in the first year of employment with the Company and the actual bonus Executive received during the first year of employment with the Company if such termination under this Subsection (b) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (b) shall be reduced by the amount of any severance pay or pay in lieu of notice that Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(c) **Severance Pay in Connection with a Change in Control**. If, during the term of this Agreement and within (i) 120 days prior to or (ii) 24 months following a Change in Control, Executive is subject to an Involuntary Termination, then (i) the Company shall pay Executive a lump sum severance payment equal to (x) 2.99 times his Base Salary in effect at the time of the termination of Employment plus two times Executive's average bonus received in the immediately preceding two years and (y) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of Executive and his eligible dependents with respect to the Company's health insurance plans in which Executive and his eligible dependents were participants as of the date of Separation, and (ii) all stock options, shares of restricted stock (other than performance-related restricted stock that is tied to performance after the Change in Control), and other time-based equity awards granted by the Company and held by Executive shall be fully vested as of the date of the Involuntary Termination. In the event that Executive is subject to an Involuntary Termination under this Subsection (c) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of the Involuntary Termination if such termination under this Subsection (c) occurs in the first year of employment with the Company and the actual bonus Executive received during the first year of employment with the Company if such termination under this Subsection (c) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (c) shall be reduced by the amount of any severance pay or pay in lieu of notice that Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(d) **Commencement of Severance Payments**. Payment of the severance pay provided for under this Agreement will be made no later than the first regularly scheduled payroll date that occurs no later than 50 days after Executive's Separation, but only if Executive has complied with the release and other preconditions set forth in Subsection (a) (to the extent applicable). However, except as provided in the next following sentence, if the 50-day period described in Section 5(a) spans two calendar years, then the payment will be made on the first payroll date in the second calendar year following expiration of the applicable revocation period. In the event that Executive experiences an Involuntary Termination immediately at or after a Change in Control, the Company shall work with the surviving company to ensure that any payments due to Executive under subsection (c) above be paid upon the closing of the Change in Control. In addition, if at any time the parties agree that a Good Reason arises after the Change in Control and severance is due to Executive under subsection (c), the Company shall work with the surviving company to insure that any such payments due to Executive are paid promptly after such Good Reason arises.

(e) **Section 409A**. This Agreement shall be construed consistently with the intent that all payments hereunder shall be exempt from the requirements of Section 409A of the Code by reason of the "short-term" deferral exemption or a different exemption. Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. If the Company determines that Executive is a "specified employee" under Section 409A(a)(2)(B)(i) of the Code at the time of his Separation, then (i) payment of any "nonqualified deferred compensation" (within the meaning of Section 409A) that is payable to Executive upon Separation shall be delayed until the first business day following (A) expiration of the six-month period measured from Executive's Separation, or (B) the date of Executive's death, and (ii) the installments that otherwise would have been paid prior to such date will be paid in a lump sum when such payments commence.

7. Protective Covenants.

(a) **Non–Competition.** As one of the Company's executive and management personnel and officer, Executive has acquired extensive and valuable knowledge and confidential information concerning the business of the Company, including certain trade secrets the Company wishes to protect. Executive further acknowledges that during his employment he will have access to and knowledge of Proprietary Information. To protect the Company's Proprietary Information, and in consideration of this Agreement, Executive agrees that during his employment with the Company and for a period of twelve (12) months after the termination of Executive's employment with the Company for any reason, whether under this Agreement or otherwise (the "Restricted Period"), he will not without the Company's approval (which shall not be unreasonably withheld), directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages in a Restricted Business in a Restricted Territory. It is agreed that ownership of (i) no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation or (ii) any stock he presently owns shall not constitute a violation of this Section.

(b) **Non-Solicitation and Non-Servicing**. During his employment with the Company and continuing for a period of eighteen (18) months after termination of Executive's employment with the Company for any reason, whether under this Agreement or otherwise, Executive shall not directly or indirectly, personally or through others,

(i) attempt in any manner to solicit, persuade or induce any Client of the Company to terminate, reduce or refrain from renewing or extending its contractual or other relationship with the Company in regard to the purchase or licensing of products or services manufactured, marketed, licensed or sold by the Company, or to become a Client of or enter into any contractual or other relationship with Executive or any other individual, person or entity in regard to the purchase or license of products or services similar or identical to those manufactured, marketed or sold by the Company; or

(ii) attempt in any manner to solicit, persuade or induce any individual, person or entity which is, or at any time during Executive's employment with the Company was, a supplier of any product or service to the Company or vendor of the Company (whether as a distributor, agent, employee or otherwise) to terminate, reduce or refrain from renewing or extending his, her or its contractual or other relationship with the Company; provided, however, this subparagraph (ii) shall not apply with respect to (I) during the first six (6) months after Executive's Separation, up to two service providers of the Company who report in to Executive's organization, were recruited by Executive and had worked with Executive in prior employment, plus Executive's administrative assistant, and (II) during the next six (6) month period thereafter, up to two service providers of the Company who report in to Executive's organization, were recruited by Executive and had worked with Executive in prior employment; or

(iii) render to or for any Client any services of the type rendered by the Company; or

(iv) subject to the exceptions in subparagraph (ii) above, employ as an employee or retain as a consultant any person who is then, or at any time during the preceding twelve months was, an employee of or consultant to the Company (unless the Company had terminated the employment or engagement of such employee or exclusive consultant prior to the time of the alleged prohibited conduct), or persuade, induce or attempt to persuade any employee of or consultant to the Company to leave the employ of the Company or to breach any service arrangement with the Company.

(c) **Non-Disclosure**. Executive has entered into a Proprietary Information and Inventions Agreement with the Company, which is incorporated herein by reference.

(d) **Reasonable**. Executive agrees and acknowledges that the time limitation on the restrictions in this Section 7, combined with the geographic scope, is reasonable. Executive also acknowledges and agrees that this provision is reasonably necessary for the protection of Proprietary Information, that through his Employment he shall receive adequate consideration for any loss of opportunity associated with the provisions herein, and that these provisions provide a reasonable way of protecting the Company's business value which will be imparted to him. If any restriction set forth in this Section 7 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

8. Successors.

(a) **Company's Successors**. This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which becomes bound by this Agreement.

(b) **Employee's Successors**. This Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

9. Taxes.

(a) **Withholding Taxes**. All payments made under this Agreement shall be subject to reduction to reflect applicable withholding and payroll taxes or other deductions required to be withheld by law.

(b) **Tax Advice**. Executive is encouraged to obtain his own tax advice regarding his compensation from the Company. Executive agrees that the Company does not have a duty to design its compensation policies in a manner that minimizes Executive's tax liabilities, and Executive shall not make any claim against the Company or the Board related to tax liabilities arising from Executive's compensation.

(c) Parachute Taxes. Notwithstanding anything in this Agreement to the contrary, if it shall be determined that any payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise ("Total Payments") to be made to Executive would otherwise exceed the amount (the "Safe Harbor Amount") that could be received by Executive without the imposition of an excise tax under Section 4999 of Code, then the Total Payments shall be reduced to the Safe Harbor Amount if (and only if) the Safe Harbor Amount (net of applicable taxes) is greater than the net amount payable to Executive after taking into account any excise tax imposed under section 4999 of the Code on the Total Payments. All determinations to be made under this subparagraph (c) shall be made by a public accounting firm selected by the

Company before the date of the Change in Control (the "Accounting Firm"). In determining whether such Benefit Limit is exceeded, the Accounting Firm shall make a reasonable determination of the value to be assigned to the restrictive covenants in effect for Executive pursuant to Section 7 of this Agreement, and the amount of his potential parachute payment under Section 280G of the Code shall be reduced by the value of those restrictive covenants and all other permissible adjustments to the extent consistent with Section 280G of the Code and the regulations thereunder. To the extent a reduction to the Total Payments is required to be made in accordance with this subparagraph (c), such reduction and/or cancellation of acceleration of equity awards shall occur in the order that provides the maximum economic benefit to Executive. In the event that acceleration of equity awards is to be reduced, such acceleration of vesting also shall be canceled in the order that provides the maximum economic benefit to Executive. Notwithstanding the foregoing, any reduction shall be made in a manner consistent with the requirements of section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this subparagraph (c) shall be borne solely by the Company.

10. Definitions.

(a) **Cause**. For all purposes under this Agreement, "Cause" shall mean:

(i) An intentional and unauthorized use or disclosure by Executive of the Company's confidential information or trade secrets, which use or disclosure causes material harm to the Company;

(ii) A material breach by Executive of any material agreement between Executive and the Company;

(iii) A material failure by Executive to comply with the Company's written policies or rules;

(iv) Executive's conviction of, indictment for, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State thereof;

(v) Executive's gross negligence or willful misconduct which causes material harm to the Company;

(vi) A continued failure by Executive to perform reasonably assigned duties after receiving written notification of such failure from the Board (other than by reason of Executive's physical or mental illness, incapacity or disability); or

(vii) A failure by Executive to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested in writing Executive's cooperation, and Executive has not cooperated in good faith within 5 business days.

With respect to subparagraphs (ii), (iii) or (vi), the Company shall not have the right to terminate Executive for Cause if Executive cures the breach or failure within 30 days of the Company's written notice to Executive of such breach or failure.

(b) **Change in Control**. For all purposes under this Agreement, "Change in Control" shall mean the occurrence of:

(i) The acquisition, by a person or persons acting as a group, of the Company's stock that, together with other stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the Company;

(ii) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of 30% or more of the total voting power of the Company;

(iii) The replacement of a majority of the members of the Board, during any 12-month period, by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of such appointment or election; or

(iv) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of the Company's assets having a total gross fair market value (determined without regard to any liabilities associated with such assets) of 80% or more of the total gross fair market value of all of the assets of the Company (determined without regard to any liabilities associated with such assets) immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur unless such transaction also qualifies as an event under Treas. Reg. §1.409A-3(i)(5)(v) (change in the ownership of a corporation), Treas. Reg. §1.409A-3(i)(5)(vi) (change in the effective control of a corporation), or Treas. Reg. §1.409A-3(i)(5)(vii) (change in the ownership of a substantial portion of a corporation's assets).

(c) **Client.** For all purposes under this Agreement, "Client" shall mean (i) anyone who is a client of the Company as of, or at any time during the one-year period immediately preceding, the termination of Executive's employment, but only if Executive had a direct relationship with, supervisory responsibility for or otherwise were involved with such client during Executive's employment with the Company and (ii) any prospective client to whom the Company made a new business presentation (or similar offering of services) at any time during the one-year period immediately preceding, or six-month period immediately following, Executive's employment termination (but only if initial discussions between the Company and such prospective client relating to the rendering of services occurred prior to the termination date, and only if Executive participated in or supervised such presentation and/or its preparation or the

discussions leading up to it).

(d) **Code**. For all purposes under this Agreement, "Code" shall mean the Internal Revenue Code of 1986, as amended.

(e) **Company**. For all purposes under this Agreement, "Company" shall include Synchronoss Technologies, Inc. and all of its subsidiaries and affiliates.

(f) **Good Reason**. For all purposes under this Agreement, "Good Reason" shall mean:

(i) material diminution in Executive's authorities, duties or responsibilities;

(ii) a reduction in Executive's base salary by more than 5% unless pursuant to a Company-wide salary reduction affecting all of the Company's Section 16 officers proportionately;

(iii) relocation of Executive's principal workplace that results in an increase to Executive's commute by more than 50 miles;

(iv) a material reduction in the kind or level of incentive compensation or employee benefits to which Executive is entitled immediately prior to such reduction with the result that Executive's overall compensation and benefits package is significantly reduced, unless such reduction occurs solely as a result of a reduction in the kind or level of employee benefits of employees that applies for all employees of the Company or

(v) a material breach by the Company of this Agreement.

A condition shall not be considered "Good Reason" unless Executive gives the Company written notice of such condition within 90 days after Executive has knowledge of such condition and the Company fails to remedy such condition (or in the case of (v), remedy such breach) within 30 days after receiving Executive's written notice. In addition, Executive's resignation must occur no later than 12 months after Executive has knowledge of such condition.

(g) **Involuntary Termination**. For all purposes under this Agreement, "Involuntary Termination" shall mean either (i) the Company terminates Executive's Employment with the Company for a reason other than death, Cause or Permanent Disability and a Separation occurs, or (ii) Executive resigns his Employment for Good Reason and a Separation occurs.

(h) **Permanent Disability**. For all purposes under this Agreement, "Permanent Disability" shall mean, in the reasonable determination by the Compensation Committee, Executive's inability to perform the essential functions of Executive's position, with or without reasonable accommodation, for a period of at least 180 consecutive days because of a physical or mental impairment.

(i) **Proprietary Information**. For all purposes under this Agreement, "Proprietary Information" shall mean any and all confidential and/or proprietary knowledge, data or information of the Company. By way of illustration but not limitation, Proprietary Information includes (i) trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques; and (ii) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and (iii) information regarding the skills and compensation of other employees of the Company.

(j) **Restricted Business**. For all purposes under this Agreement, "Restricted Business" shall mean the design, development, marketing or sales of software, or any other process, system, product, or service marketed, sold or under development by the Company (and expected to reach market before the end of the Restricted Period) at the time Executive's employment with the Company ends, whether during or after the Term.

(k) **Restricted Territory**. For all purposes under this Agreement, "Restricted Territory" shall mean any state, county, or locality in the United States or around the world in which the Company conducts business.

(l) **Separation**. For all purposes under this Employment Agreement, "Separation" means a "separation from service," as defined in the regulations under Section 409A of the Code.

(m) **Solicit.** For all purposes under this Agreement, "solicit" shall mean (i) active solicitation of any Client or Company employee (but not general marketing of a product, service or open position not targeted at such employee); (ii) the provision of information regarding any Client or Company employee to any third party where such information could be useful to such third party in attempting to obtain business from such Client or attempting to hire any such Company employee; (iii) participation in any meetings, discussions, or other communications with any third party regarding any Client or Company employee where the purpose or effect of such meeting, discussion or communication is to obtain business from such Client or employ such Company employee; and (iv) any other passive use of information about any Client or Company employee which has the purpose or effect of assisting a third party or causing harm to the business of the Company.

11. Miscellaneous Provisions.

(a) **Notice**. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, when delivered by FedEx with delivery charges prepaid, or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices shall be addressed to him at the home address that he most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(b) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Whole Agreement**. This Agreement and the Proprietary Information and Inventions Agreement supersede and replace any prior agreements, representations or understandings (whether oral or written and whether express or implied) between Executive and the Company and constitute the complete agreement between Executive and the Company regarding the subject matter set forth herein; provided that nothing in this Agreement shall supersede an express promise made by the Company in Executive's offer letter.

(d) **Choice of Law and Severability**. This Agreement shall be interpreted in accordance with the laws of the State of New Jersey (except their provisions governing the choice of law). If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively the "Law"), then such provision shall be curtailed or limited only to the minimum extent necessary to bring such provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(e) **No Assignment**. This Agreement and all rights and obligations of Executive hereunder are personal to Executive and may not be transferred or assigned by Executive at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with any sale or transfer of all or a substantial portion of the Company's assets to such entity.

(f) **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(g) **Survival.** The rights and obligations of the parties under the provisions of this Agreement (including without limitation Section 7) shall survive, and remaining binding and enforceable, notwithstanding the termination of this Agreement, the termination of Executive's Employment hereunder or otherwise, to the extent necessary to preserve the intended benefits of such provision.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

Stephen Waldis

SYNCHRONOSS TECHNOLOGIES, INC.

By ____

Lawrence R. Irving
Chief Financial Officer

TIER ONE EXECUTIVE EMPLOYMENT PLAN

In addition to the terms of your offer letter or executive employment letter ("Offer Letter") with Synchronoss Technologies, Inc., a Delaware corporation (the "Company"), the employment of each Tier One Executive ("Executive") shall be governed by the terms and conditions set forth in this Tier One Executive Employment Plan (the "Plan").

1.**Scope of Employment.**

(a) Position and Compensation. Executive shall be employed by the Company in the position and at the location provided in the Offer Letter and at the base salary and annual target bonus percentage set forth in the Offer Letter. Executive shall not be entitled to an incentive bonus if Executive is not employed by the Company on the last day of the fiscal year for which such bonus is payable. Any bonus for a fiscal year shall be paid within 2½ months after the close of that fiscal year. The determinations of the Company's Board of Directors or its Compensation Committee with respect to such bonus shall be final and binding. The Offer Letter shall also include any initial equity awards to be granted to the Executive, which shall be governed by the respective equity award agreement of the Company.

(a) **Obligations to the Company**. During Employment, Executive (i) shall devote substantially all of Executive's full business efforts and time to the Company, (ii) shall not engage in any other employment, consulting or other business activity that would create a conflict of interest with the Company, (iii) shall not assist any person or entity in competing with the Company or in preparing to compete with the Company, (iv) shall comply with the Company's policies and rules, as they may be in effect from time to time and (v) shall comply with the Proprietary Information and Inventions Agreement. This provision shall not restrict Executive's ability to sit on one non-profit board and, subject to review and written approval by the CEO, Executive may request to sit on one corporate board.

(b) **No Conflicting Obligations**. Executive represents and warrants to the Company that he is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with Executive's obligations hereunder. Executive represents and warrants that he will not use or disclose, in connection with Executive's Employment, any trade secrets or other proprietary information or intellectual property in which Executive or any other person has any right, title or interest and that Executive's Employment will not infringe or violate the rights of any other person. Executive represents and warrants to the Company that he has returned all property and confidential information belonging to any prior employer.

(d) Indemnification/D&O Insurance. To the maximum extent permitted by applicable law and the Company's by-laws, the Company shall indemnify Executive for all acts and omissions by him and any action on his part while acting in such capacity, and for losses that arise from serving at the request of the Company or a subsidiary thereof as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. Executive shall be covered by directors' and officers' liability insurance on a basis no less favorable than provided to directors and officers of the Company, including "tail" coverage.

2. Paid Time Off and Employee Benefits. During Executive's Employment, Executive shall be eligible for paid time off in accordance with the Company's paid time off policy, as it may be amended from time to time, with a minimum of 20 paid time off days per year (accruing for each year on the first day of such year), and any United States Company-wide holidays; provided, however, Executive shall not be entitled to carry over any paid time off days from year to year. During Executive's Employment, Executive shall be eligible to participate in the employee benefit plans maintained by the Company, subject in each case to the terms and conditions of the plan in question.

3. Business Expenses. During Executive's Employment, Executive shall be authorized to incur necessary and reasonable travel, entertainment and other business expenses in connection with Executive's duties hereunder. The Company shall reimburse Executive for such expenses upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable policies. Notwithstanding anything to the contrary herein, except to the extent any expense or reimbursement provided hereunder does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code, (a) the amount of expenses eligible for reimbursement provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (b) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred and (c) the right to payment or reimbursement hereunder may not be liquidated or exchanged for any other benefit.

4. Termination.

(a) **Termination of Employment**. The Company may terminate Executive's Employment at any time and for any reason (or no reason), and with or without Cause, by giving Executive 30 days' advance notice in writing. Executive may terminate Executive's Employment by giving the Company 30 days' advance notice in writing. The Company shall have the right at any time during such 30-day period, to relieve Executive of Executive's offices, duties and responsibilities and place him on a paid leave-of-absence status, provided that during such notice period, Executive shall remain a full-time employee of the Company and shall continue to receive Executive's then current salary compensation and other benefits as provided herein. Executive's Employment shall terminate automatically in the event of Executive's death. The termination of Executive's Employment shall not limit or otherwise affect Executive's obligations under Section 6.

(b) **Rights Upon Termination**. Upon Executive's termination of Employment for any reason, Executive shall be entitled to the compensation, benefits and reimbursements described in Executive's Offer Letter or hereunder for the period preceding the effective date of such termination or otherwise accrued before such termination. Upon the termination of Executive's Employment under certain circumstances, Executive may be entitled to additional severance pay benefits as described in Section 6. The payments hereunder shall fully discharge all responsibilities of the Company to Executive.

(c) **Rights Upon Death**. If Executive's Employment ends due to death, (A) Executive's estate shall be entitled to receive an amount equal to Executive's target bonus for the fiscal year in which Executive's death occurred (or, if greater, the bonus amount determined based on the applicable factors and actual performance for such fiscal year), prorated based on the number of days he was employed by the Company during that fiscal year, and (B) all stock options, shares of restricted stock (other than performance-related restricted stock), and other time-based equity awards granted by the Company and held by Executive at the time of his death shall be fully vested. All amounts under this Section 4(c) shall be paid no later than the date regular employees are paid their bonuses.

(d) **Rights Upon Permanent Disability**. If Executive's Employment ends due to Permanent Disability and a Separation occurs, (I) Executive shall be entitled to receive (i) an amount equal to Executive's Target Bonus for the fiscal year in which Executive's Employment ended (or, if reasonably ascertainable and greater, the bonus amount determined based on the applicable factors and actual performance for such fiscal year), prorated based on the number of days he was employed by the Company during that fiscal year, and (ii) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of Executive and Executive's eligible dependents with respect to the Company's health insurance plans in which Executive and Executive's eligible dependents were participants as of the date of Separation, and (II) all stock options, shares of restricted stock (other than performance-related restricted stock) and other time-based equity awards granted by the Company and held by Executive shall be fully vested as of the date of Executive's Separation. The amounts payable under this Section 5(e) shall be paid no later 60 days after Executive's Separation.

5. Termination Benefits.

(a) **Preconditions**. Any other provision of this Plan notwithstanding, Subsections (b) and (c) below shall not apply unless Executive:

(i) Has executed (or, with respect to Section 4(d), the executor or Executive's estate has executed) a general release of all claims Executive (or Executive's executor or estate) may have against the Company or persons affiliated with the Company (substantially in the form attached hereto as Exhibit A) (the "Release");

(ii) Complies with Executive's obligations under Section 6 below;

(iii) Has returned all property of the Company in Executive's possession; and

(iv) If requested by the Board, has resigned as a member of the Board and as a member of the boards of directors of all subsidiaries of the Company, to the extent applicable.

Executive must execute and return the Release within the period of time set forth in the Release (the "Release Deadline"). The Release Deadline will in no event be later than 50 days after Executive's Separation. If Executive fails to return the Release on or before the Release Deadline or if Executive revokes the Release, then Executive will not be entitled to the benefits described in this Section 5.

(b) **Severance Pay in the Absence of a Change in Control**. If, during Executive's employment with the Company and not at a time described in subsection (c) below, Executive resigns Executive's Employment for Good Reason and a Separation occurs, or the Company terminates Executive's Employment with the Company for a reason other than death, Cause or Permanent Disability and a Separation occurs, then the Company shall pay Executive a lump sum severance payment equal to (i) one and one-half times Executive's Base Salary in effect at the time of the termination of Employment and one and one-half times Executive's average annual bonus based on the actual amounts received in the immediately preceding two years, and (ii) the product of (A) 12 and (B) the monthly

amount the Company was paying on behalf of Executive and Executive's eligible dependents with respect to the Company's health insurance plans in which Executive and Executive's eligible dependents were participants as of the date of Separation. In the event that Executive Employment is terminated for a reason other than death, Cause or Permanent Disability or Executive resigns Executive's Employment for Good Reason under this Subsection (b) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use Executive's Target Bonus in the year of termination if such termination under this Subsection (b) occurs in the first year of employment with the Company and the actual bonus Executive received during the first year of employment with the Company if such termination under this Subsection (b) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (b) shall be reduced by the amount of any severance pay or pay in lieu of notice that Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(c) **Severance Pay in Connection with a Change in Control**. If, during Executive's employment with the Company and within (i) 120 days prior to or (ii) 24 months following a Change in Control, Executive is subject to an Involuntary Termination, then (i) the Company shall pay Executive a lump sum severance payment equal to (x) two times Executive's Base Salary in effect at the time of the termination of Employment plus two times Executive's average bonus received in the immediately preceding two years, and (y) a lump sum amount equal to the product of (A) 18 and (B) the monthly amount the Company was paying on behalf of Executive and Executive's eligible dependents with respect to the Company's health insurance plans in which Executive and Executive's eligible dependents were participants as of the date of Separation and (ii) all stock options, shares of restricted stock (other than performance-related restricted stock that is tied to performance after the Change in Control), and other time-based equity awards) granted by the Company and held by Executive shall be fully vested as of the date of the Involuntary Termination. In the event that Executive is subject to an Involuntary Termination under this Subsection (c) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use Executive's Target Bonus in the year of the Involuntary Termination if such termination under this Subsection (c) occurs in the first year of employment with the Company and the actual bonus Executive received during the first year of employment with the Company if such termination under this Subsection (c) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (c) shall be reduced by the amount of any severance pay or pay in lieu of notice that Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(d) **Commencement of Severance Payments**. Payment of the severance pay provided for hereunder will be made no later than the first regularly scheduled payroll date that occurs no later than 50 days after Executive's Separation, but only if Executive has complied with the release and other preconditions set forth in Subsection (a) (to the extent applicable). However, except as provided in the next following sentence, if the 50-day period described in Section 5(a) spans two calendar years, then the payment will be made on the first payroll date in the second calendar year following expiration of the applicable revocation period. In the event that Executive experiences an Involuntary Termination immediately at or after a Change in Control, the Company shall work with the surviving company to ensure that any payments due to Executive under subsection (c) above be paid upon the closing of the Change in Control. In addition, if at any time the parties agree that a Good Reason arises after the Change in Control and severance is due to Executive under subsection (c), the Company shall work with the surviving company to insure that any such payments due to Executive are paid promptly after such Good Reason arises.

(e) **Section 409A**. This Plan shall be construed consistently with the intent that all payments hereunder shall be exempt from the requirements of Section 409A of the Code by reason of the "short-term" deferral exemption or a different exemption. Each payment made under this Plan shall be treated as a separate payment and the right to a series of installment payments under this Plan is to be treated as a right to a series of separate payments. If the Company determines that Executive is a "specified employee" under Section 409A(a)(2)(B)(i) of the Code at the time of Executive's Separation, then (i) payment of any "nonqualified deferred compensation" (within the meaning of Section 409A) that is payable to Executive upon Separation shall be delayed until the first business day following (A) expiration of the six-month period measured from Executive's Separation, or (B) the date of Executive's death, and (ii) the installments that otherwise would have been paid prior to such date will be paid in a lump sum when such payments commence.

6. Protective Covenants.

(a) **Non–Competition.** As one of the Company's executive and management personnel and officer, Executive has acquired extensive and valuable knowledge and confidential information concerning the business of the Company, including certain trade secrets the Company wishes to protect. Executive further acknowledges that during Executive's employment he will have access to and knowledge of Proprietary Information. To protect the Company's Proprietary Information, and in consideration of the terms of this Plan, Executive agrees that during Executive's employment with the Company and for a period of twelve (12) months after the termination of Executive's employment with the Company for any reason, whether hereunder or otherwise (the "Restricted Period"), Executive will not without the Company's approval (which shall not be unreasonably withheld), directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), have any ownership interest in, or participate in the

financing, operation, management or control of, any person, firm, corporation or business that engages in a Restricted Business in a Restricted Territory. It is agreed that ownership of (i) no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation or (ii) any stock he presently owns shall not constitute a violation of this Section.

(b) **Non-Solicitation and Non-Servicing**. During Executive's employment with the Company and continuing for a period of twelve (12) months after termination of Executive's employment with the Company for any reason, whether under this Agreement or otherwise, Executive shall not directly or indirectly, personally or through others,

(i) attempt in any manner to solicit, persuade or induce any Client of the Company to terminate, reduce or refrain from renewing or extending its contractual or other relationship with the Company in regard to the purchase or licensing of products or services manufactured, marketed, licensed or sold by the Company, or to become a Client of or enter into any contractual or other relationship with Executive or any other individual, person or entity in regard to the purchase or license of products or services similar or identical to those manufactured, marketed or sold by the Company; or

(ii) attempt in any manner to solicit, persuade or induce any individual, person or entity which is, or at any time during Executive's employment with the Company was, a supplier of any product or service to the Company or vendor of the Company (whether as a distributor, agent, employee or otherwise) to terminate, reduce or refrain from renewing or extending Executive's, Executive's contractual or other relationship with the Company; provided, however, this subparagraph (ii) shall not apply to any employee of the Company who reports in to Executive's organization, was recommended by Executive and had worked with Executive at at least two prior organizations; or

(iii) render to or for any Client any services of the type rendered by the Company; or

(iv) employ as an employee or retain as a consultant any person who is then, or at any time during the preceding twelve months was, an employee of or consultant to the Company (unless the Company had terminated the employment or engagement of such employee or exclusive consultant prior to the time of the alleged prohibited conduct), or persuade or attempt to persuade any employee of or consultant to the Company to leave the employ of the Company or to breach any service arrangement with the Company.

(c) **Non-Disclosure**. Executive has entered into a Proprietary Information and Inventions Agreement with the Company, which is incorporated herein by reference.

(d) **Reasonable**. Executive agrees and acknowledges that the time limitation on the restrictions in this Section 6, combined with the geographic scope, is reasonable. Executive also acknowledges and agrees that this provision is reasonably necessary for the protection of Proprietary Information, that through Executive's employment he shall receive adequate consideration for any loss of opportunity associated with the provisions herein, and that these provisions provide a reasonable way of protecting the Company's business value which will be imparted to him. If any restriction set forth in this Section 6 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

7. Successors.

(a) **Company's Successors**. This Plan shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes hereunder, the term "Company" shall include any successor to the Company's business and/or assets which becomes bound by this Plan.

(b) **Employee's Successors**. This Plan and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

8. Taxes.

(a) **Withholding Taxes**. All payments made hereunder shall be subject to reduction to reflect applicable withholding and payroll taxes or other deductions required to be withheld by law.

(b) **Tax Advice**. Executive is encouraged to obtain Executive's own tax advice regarding Executive's compensation from the Company. Executive agrees that the Company does not have a duty to design its compensation policies in a manner that minimizes Executive's tax liabilities, and Executive shall not make any claim against the Company or the Board related to tax liabilities arising from Executive's compensation.

(c) **Parachute Taxes**. Notwithstanding anything in this Plan to the contrary, if it shall be determined that any payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms hereunder or otherwise ("Total Payments") to be made to Executive would otherwise exceed the amount (the "Safe Harbor Amount") that could be received by Executive without the imposition of an excise tax under Section 4999 of Code, then the Total Payments shall be reduced to the Safe Harbor Amount 9f (and only if) the Safe Harbor Amount (net of applicable taxes) is greater than the net amount payable to Executive after taking into account any excise tax imposed under section 4999 of the Code on the Total Payments. All determinations to be made under this subparagraph (c) shall be made by a public accounting firm selected by the Company before the date of the Change in Control (the "Accounting Firm"). In determining whether such Benefit Limit is exceeded, the Accounting Firm shall make a reasonable determination of the value to be assigned to the restrictive covenants in effect for Executive pursuant to Section 6 above, and the amount of Executive's potential parachute payment under Section 280G of the Code shall be reduced by the value of those restrictive covenants and all other permissible adjustments to the extent consistent with Section 280G of the Code and the regulations thereunder. To the extent a reduction to the Total Payments is required to be made in accordance with this subparagraph (c), such reduction and/or cancellation of acceleration of equity awards shall occur in the order that provides the maximum economic benefit to Executive. In the event that acceleration of equity awards is to be reduced, such acceleration of vesting also shall be canceled in the order that provides the maximum economic benefit to Executive. Notwithstanding the foregoing, any reduction shall be made in a manner consistent with the requirements of section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this subparagraph (c) shall be borne solely by the Company.

9. Definitions.

(a) **Cause**. For all purposes under this Plan, "Cause" shall mean:

(i) An intentional and unauthorized use or disclosure by Executive of the Company's confidential information or trade secrets, which use or disclosure causes material harm to the Company;

(ii) A material breach by Executive of any material agreement between Executive and the Company;

(iii) A material failure by Executive to comply with the Company's written policies or rules;

(iv) Executive's conviction of, indictment for or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State thereof;

(v) Executive's gross negligence or willful misconduct which causes material harm to the Company;

(vi) A continued failure by Executive to perform reasonably assigned duties after receiving written notification of such failure from the Board (other than by reason of Executive's physical or mental illness, incapacity or disability); or

(vii) A failure by Executive to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested in writing Executive's cooperation, and Executive has not cooperated in good faith within 5 business days.

With respect to subparagraphs (ii), (iii) or (vi), the Company shall not have the right to terminate Executive for Cause if Executive cures the breach or failure within 30 days of the Company's written notice to Executive of such breach or failure.

(b) **Change in Control**. For all purposes under this Plan, "Change in Control" shall mean the occurrence of:

(i) The acquisition, by a person or persons acting as a group, of the Company's stock that, together with other stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the Company;

(ii) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of 30% or more of the total voting power of the Company;

(iii) The replacement of a majority of the members of the Board, during any 12-month period, by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of such appointment or election; or

(iv) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of the Company's assets having a total gross fair market value (determined without regard to any liabilities associated with such assets) of 80% or more of the total gross fair market value of all of the assets of the Company (determined without regard to any liabilities associated with such assets) immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur unless such transaction also qualifies as an event under Treas. Reg. §1.409A-3(i)(5)(v) (change in the ownership of a corporation), Treas. Reg. §1.409A-3(i)(5)(vi) (change in the effective control of a corporation), or Treas. Reg. §1.409A-3(i)(5)(vii) (change in the ownership of a substantial portion of a corporation's assets).

(c) **Client.** For all purposes under this Plan, "Client" shall mean (i) anyone who is a client of the Company as of, or at any time during the one-year period immediately preceding, the termination of Executive's employment, but only if Executive had a direct relationship with, supervisory responsibility for or otherwise were involved with such client during Executive's employment with the Company and (ii) any prospective client to whom the Company made a new business presentation (or similar offering of services) at any time during the one-year period immediately preceding, or six-month period immediately following, Executive's employment termination (but only if initial discussions between the Company and such prospective client relating to the rendering of services occurred prior to the termination date, and only if Executive participated in or supervised such presentation and/or its preparation or the discussions leading up to it).

(d) **Code**. For all purposes under this Plan, "Code" shall mean the Internal Revenue Code of 1986, as amended.

(e) **Company**. For all purposes under this Plan, "Company" shall include Synchronoss Technologies, Inc. and all of its subsidiaries and affiliates.

(f) **Good Reason**. For all purposes under this Plan, "Good Reason" shall mean:

(i) a material dimunition in Executive's authorities, duties or responsibilities;

(ii) a reduction in Executive's base salary by more than 10% unless pursuant to a Company-wide salary reduction affecting all Executives proportionately;

(iii) relocation of Executive's principal workplace that results in an increase to Executive's commute by more than 50 miles;

(iv) a material reduction in the kind or level of incentive compensation or employee benefits to which Executive is entitled immediately prior to such reduction with the result that Executive's overall compensation and benefits package is significantly reduced, unless such reduction occurs solely as a result of a reduction in the kind or level of employee benefits of employees that applies for all employees of the Company; or

(v) a material breach by the Company of this Agreement.

A condition shall not be considered "Good Reason" unless Executive gives the Company written notice of such condition within 90 days Executive has knowledge of such condition and the Company fails to remedy such condition (or in the case of (v) remedy such breach) within 30 days after receiving Executive's written notice. In addition, Executive's resignation must occur within 12 months after Executive has knowledge of such condition.

(g) **Involuntary Termination**. For all purposes under this Plan, "Involuntary Termination" shall mean either (i) the Company terminates Executive's Employment with the Company for a reason other than death, Cause or Permanent Disability and a Separation occurs, or (ii) Executive resigns Executive's Employment for Good Reason and a Separation occurs.

(h) **Permanent Disability**. For all purposes under this Plan, "Permanent Disability" shall mean, in the reasonable determination by the Compensation Committee, Executive's inability to perform the essential functions of Executive's position, with or without reasonable accommodation, for a period of at least 180 consecutive days because of a physical or mental impairment.

(i) **Proprietary Information**. For all purposes under this Plan, "Proprietary Information" shall mean any and all confidential and/or proprietary knowledge, data or information of the Company. By way of illustration but not limitation, Proprietary Information includes (i) trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques; and (ii) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and (iii) information regarding the skills and compensation of other employees of the Company.

(j) **Restricted Business**. For all purposes under this Plan, "Restricted Business" shall mean the design, development, marketing or sales of software, or any other process, system, product, or service marketed, sold or under development by the Company (and expected to reach market before the end of the Restricted Period) at the time Executive's employment with the Company ends, whether during or after the Term.

(k) **Restricted Territory**. For all purposes under this Plan, "Restricted Territory" shall mean any state, county, or locality in the United States or around the world in which the Company conducts business.

(l) **Separation**. For all purposes under this Plan, "Separation" means a "separation from service," as defined in the regulations under Section 409A of the Code.

(m) **Solicit.** For all purposes under this Plan, "solicit" shall mean (i) active solicitation of any Client or Company employee (but not general marketing of a product, service or open position not targeted at such employee); (ii) the provision of information regarding any Client or Company employee to any third party where such information could be useful to such third party in attempting to obtain business from such Client or attempting to hire any such Company employee; (iii) participation in any meetings, discussions, or other communications with any third party regarding any Client or Company employee where the purpose or effect of such meeting, discussion or communication is to obtain business from such Client or employ such Company employee; and (iv) any other passive use of information about any Client or Company employee which has the purpose or effect of assisting a third party or causing harm to the business of the Company.

10. Miscellaneous Provisions.

(a) **Notice**. Notices and all other communications contemplated by this Plan shall be in writing and shall be deemed to have been duly given when personally delivered, when delivered by FedEx with delivery charges prepaid, or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices shall be addressed to him at the home address that he most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(b) **Modifications and Waivers**. No provision of this Plan shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Plan by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Whole Agreement**. This Plan and the Proprietary Information and Inventions Agreement supersede and replace any prior agreements, representations or understandings (whether oral or written and whether express or implied) between Executive and the Company and constitute the complete agreement between Executive and the Company regarding the subject matter set forth herein; provided that nothing in this Agreement shall supersede an express promise made by the Company in Executive's Offer Letter.

(d) **Choice of Law and Severability**. This Plan shall be interpreted in accordance with the laws of the State of New Jersey (except their provisions governing the choice of law). If any provision of this Plan becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Plan shall continue in full force and effect. If any provision of this Plan is rendered illegal by any present or future statute, law, ordinance or regulation (collectively the "Law"), then such provision shall be curtailed or limited only to the minimum extent necessary to bring such provision into compliance with the Law. All the other terms and provisions of this Plan shall continue in full force and effect without impairment or limitation.

(e) **No Assignment**. This Plan and all rights and obligations of Executive hereunder are personal to Executive and may not be transferred or assigned by Executive at any time. The Company may assign its rights under this Plan to any entity that assumes the Company's obligations hereunder in connection with any sale or transfer of all or a substantial portion of the Company's assets to such entity.

(f) **Survival.** The rights and obligations of the parties under the provisions of this Plant (including without limitation Section 6 shall survive, and remaining binding and enforceable, notwithstanding the termination of Executive's employment hereunder or otherwise, to the extent necessary to preserve the intended benefits of such provision.

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of April 27, 2017 ("Commencement Date"), by and between Lawrence Irving (the "Executive") and Synchronoss Technologies, Inc., a Delaware corporation (the "Company"). Except as otherwise provided herein, defined terms are set forth in Section 10 below.

1.**Duties and Scope of Employment.**

(a) Position. For the term of his employment under this Agreement (the "Employment"), the Company agrees to employ Executive in the position of Chief Financial Officer. Executive shall report to the Company's Chief Executive Officer or his or her designee. Executive's principal workplace shall be in Bridgewater, New Jersey.

(a) **Obligations to the Company**. During his Employment, Executive (i) shall devote substantially all of his full business efforts and time to the Company, (ii) shall not engage in any other employment, consulting or other business activity that would create a conflict of interest with the Company, (iii) shall not assist any person or entity in competing with the Company or in preparing to compete with the Company, (iv) shall comply with the Company's policies and rules, as they may be in effect from time to time and (v) shall comply with the Proprietary Information and Inventions Agreement. This provision shall not restrict Executive's ability to sit on non-profit boards and, subject to Board approval, at least one corporate board.

(b) **No Conflicting Obligations**. Executive represents and warrants to the Company that he is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with his obligations under this Agreement. Executive represents and warrants that he will not use or disclose, in connection with his Employment, any trade secrets or other proprietary information or intellectual property in which Executive or any other person has any right, title or interest and that his Employment will not infringe or violate the rights of any other person. Executive represents and warrants to the Company that he has returned all property and confidential information belonging to any prior employer.

(c) **Indemnification/D&O Insurance**. To the maximum extent permitted by applicable law and the Company's by-laws, the Company shall indemnify Executive for all acts and omissions by him and any action on his part while acting in such capacity, and for losses that arise from serving at the request of the Company or a subsidiary thereof as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. Executive shall be covered by directors' and officers' liability insurance on a basis no less favorable than provided to directors and officers of the Company, including "tail" coverage.

(e) **Commencement Date**. Executive has previously commenced full-time Employment. This Agreement shall govern the terms of Executive's Employment effective as the Commencement Date through the Term (as defined in Section 5(a) below).

2. Compensation

(a) **Salary**. The Company shall pay Executive as compensation for his services a base salary at a gross annual rate of not less than $425,000. Such salary shall be payable in accordance with the Company's standard payroll procedures. (The annual compensation specified in this Subsection (a), together with any increases in such compensation that the Company may grant from time to time, is referred to in this Agreement as "Base Salary.")

(b) **Incentive Bonuses**. Executive shall be eligible for an annual incentive bonus with a target amount equal to 80% of his Base Salary (the "Target Bonus"). Executive's bonus (if any) shall be awarded based on criteria established by the Company's Board of Directors (the "Board") or its Compensation Committee. Executive shall not be entitled to an incentive bonus for a fiscal year if he is not employed by the Company on the last day of the fiscal year for which such bonus is payable or is provided notice of termination under Section 5(b) prior to such time. Any bonus for a fiscal year shall be paid within 2½ months after the close of that fiscal year. The determinations of the Board or its Compensation Committee with respect to such bonus shall be final and binding.

3. Paid Time Off and Employee Benefits. During his Employment, Executive shall be eligible for paid time off in accordance with the Company's paid time off policy, as it may be amended from time to time, with a minimum of 20 paid time off days per year (accruing for each year on the first day of such year), plus three floating holidays, and any United States Company-wide holidays; provided, however, Executive shall not be entitled to carry over any paid time off days from year to year. During his Employment, Executive shall be eligible to participate in the employee benefit plans maintained by the Company, subject in each case to the terms and conditions of the plan in question.

4. Business Expenses. During his Employment, Executive shall be authorized to incur necessary and reasonable travel, entertainment and other business expenses in connection with his duties hereunder. Notwithstanding anything to the contrary herein, except to the extent any expense or reimbursement provided pursuant to this Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code, (a) the amount of expenses eligible for reimbursement provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (b) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred and (c) the right to payment or

reimbursement hereunder may not be liquidated or exchanged for any other benefit.

5. Term of Employment.

(a) **Employment Term**. The Company hereby employs Executive to render services to the Company in the position and with the duties and responsibilities described in Section 1 for the period commencing on the Commencement Date and ending upon the earlier of (i) the date of Executive's resignation from the Company and (ii) the date Executive's Employment is terminated in accordance with Section 5(b) (the "Term").

(b) **Termination of Employment**. The Company may terminate Executive's Employment at any time and for any reason (or no reason), and with or without Cause, by giving Executive 30 days' advance notice in writing. Executive may terminate his Employment by giving the Company 30 days' advance notice in writing. The Company shall have the right at any time during such 30-day period, to relieve Executive of his offices, duties and responsibilities and place him on a paid leave-of-absence status, provided that during such notice period, Executive shall remain a full-time employee of the Company and shall continue to receive his then current salary compensation and other benefits as provided in this Agreement. Executive's Employment shall terminate automatically in the event of his death. The termination of Executive's Employment shall not limit or otherwise affect his obligations under Section 7.

(c) **Rights Upon Termination**. Upon Executive's termination of Employment for any reason, Executive shall be entitled to the compensation, benefits and reimbursements described in Sections 1, 2, 3, and 4 for the period preceding the effective date of such termination or otherwise accrued before such termination. Upon the termination of Executive's Employment under certain circumstances, Executive may be entitled to additional severance pay benefits described in Section 6. The payments under this Agreement shall fully discharge all responsibilities of the Company to Executive. This Agreement shall terminate when all obligations of the parties hereunder have been satisfied.

(d) **Rights Upon Death**. If Executive's Employment ends due to death, (A) Executive's estate shall be entitled to receive an amount equal to his target bonus for the fiscal year in which his death occurred (or, if greater, the bonus amount determined based on the applicable factors and actual performance for such fiscal year), prorated based on the number of days he was employed by the Company during that fiscal year and (B) all stock options, shares of restricted stock (other than performance-related restricted stock), and other time-based equity awards granted by the Company and held by Executive at the time of his death shall be fully vested. All amounts under this Section 5(d) shall be paid no later than the date all regular employees are paid their bonuses.

(e) **Rights Upon Permanent Disability**. If Executive's Employment ends due to Permanent Disability and a Separation occurs, (I) Executive shall be entitled to receive (i) an amount equal to his Target Bonus for the fiscal year in which his Employment ended (or, if reasonably ascertainable and greater, the bonus amount determined based on the applicable factors and actual performance for such fiscal year), prorated based on the number of days he was employed by the Company during that fiscal year, and (ii) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of Executive and his eligible dependents with respect to the Company's health insurance plans in which Executive and his eligible dependents were participants as of the date of Separation, and (II) all stock options, shares of restricted stock (other than performance-related restricted stock) and other time-based equity awards granted by the Company and held by Executive shall be fully vested as of the date of Executive's Separation. The amounts payable under this Section 5(e) shall be paid no later 60 days after Executive's Separation.

6. Termination Benefits.

(a) **Preconditions**. Any other provision of this Agreement notwithstanding, Subsections (b) and (c) below shall not apply unless Executive:

(i) Has executed (or, with respect to Section 5(d), the executor or his estate has executed) a general release of all claims Executive (or his executor or estate) may have against the Company or persons affiliated with the Company (substantially in the form attached hereto as Exhibit A) (the "Release");

(ii) Complies with Executive's obligations under Section 7 of this Agreement;

(iii) Has returned all property of the Company in Executive's possession; and

(iv) If requested by the Board, has resigned as a member of the Board and as a member of the boards of directors of all subsidiaries of the Company, to the extent applicable.

Executive must execute and return the Release within the period of time set forth in the Release (the "Release Deadline"). The Release Deadline will in no event be later than 50 days after Executive's Separation. If Executive fails to return the Release on or before the Release Deadline or if Executive revokes the Release, then Executive will not be entitled to the benefits described in this Section 6.

(b) **Severance Pay in the Absence of a Change in Control**. If, during the term of this Agreement and not at a time described in subsection (c) below, Executive resigns his Employment for Good Reason and a Separation occurs or the Company terminates Executive's Employment with the Company for a reason other than death, Cause or Permanent Disability and a Separation occurs, then the Company shall pay Executive a lump sum severance payment equal to (i) one and one-half times (A) his Base Salary in effect at the time of the termination of Employment plus, (B) his average annual bonus based on the actual amounts received in the

immediately preceding two years and (ii) the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of Executive and his eligible dependents with respect to the Company's health insurance plans in which Executive and his eligible dependents were participants as of the date of Separation. In the event that Executive Employment is terminated for a reason other than death, Cause or Permanent Disability or Executive resigns his Employment for Good Reason under this Subsection (b) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of termination if such termination under this Subsection (b) occurs in the first year of employment with the Company and the actual bonus Executive received during the first year of employment with the Company if such termination under this Subsection (b) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (b) shall be reduced by the amount of any severance pay or pay in lieu of notice that Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(c) **Severance Pay in Connection with a Change in Control**. If, during the term of this Agreement and within (i) 120 days prior to or (ii) 24 months following a Change in Control, Executive is subject to an Involuntary Termination, then (i) the Company shall pay Executive a lump sum severance payment equal to (x) two times his Base Salary in effect at the time of the termination of Employment plus two times Executive's average bonus received in the immediately preceding two years and (y) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of Executive and his eligible dependents with respect to the Company's health insurance plans in which Executive and his eligible dependents were participants as of the date of Separation, and (ii) all stock options, shares of restricted stock (other than performance-related restricted stock that is tied to performance after the Change in Control), and other time-based equity awards granted by the Company and held by Executive shall be fully vested as of the date of the Involuntary Termination. In the event that Executive is subject to an Involuntary Termination under this Subsection (c) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of the Involuntary Termination if such termination under this Subsection (c) occurs in the first year of employment with the Company and the actual bonus Executive received during the first year of employment with the Company if such termination under this Subsection (c) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (c) shall be reduced by the amount of any severance pay or pay in lieu of notice that Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(d) **Commencement of Severance Payments**. Payment of the severance pay provided for under this Agreement will be made no later than the first regularly scheduled payroll date that occurs no later than 50 days after Executive's Separation, but only if Executive has complied with the release and other preconditions set forth in Subsection (a) (to the extent applicable). However, except as provided in the next following sentence, if the 50-day period described in Section 5(a) spans two calendar years, then the payment will be made on the first payroll date in the second calendar year following expiration of the applicable revocation period. In the event that Executive experiences an Involuntary Termination immediately at or after a Change in Control, the Company shall work with the surviving company to ensure that any payments due to Executive under subsection (c) above be paid upon the closing of the Change in Control. In addition, if at any time the parties agree that a Good Reason arises after the Change in Control and severance is due to Executive under subsection (c), the Company shall work with the surviving company to insure that any such payments due to Executive are paid promptly after such Good Reason arises.

(e) **Section 409A**. This Agreement shall be construed consistently with the intent that all payments hereunder shall be exempt from the requirements of Section 409A of the Code by reason of the "short-term" deferral exemption or a different exemption. Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. If the Company determines that Executive is a "specified employee" under Section 409A(a)(2)(B)(i) of the Code at the time of his Separation, then (i) payment of any "nonqualified deferred compensation" (within the meaning of Section 409A) that is payable to Executive upon Separation shall be delayed until the first business day following (A) expiration of the six-month period measured from Executive's Separation, or (B) the date of Executive's death, and (ii) the installments that otherwise would have been paid prior to such date will be paid in a lump sum when such payments commence.

7. Protective Covenants.

(a) **Non–Competition.** As one of the Company's executive and management personnel and officer, Executive has acquired extensive and valuable knowledge and confidential information concerning the business of the Company, including certain trade secrets the Company wishes to protect. Executive further acknowledges that during his employment he will have access to and knowledge of Proprietary Information. To protect the Company's Proprietary Information, and in consideration of this Agreement, Executive agrees that during his employment with the Company and for a period of twelve (12) months after the termination of Executive's employment with the Company for any reason, whether under this Agreement or otherwise (the "Restricted Period"), he will not without the Company's approval (which shall not be unreasonably withheld), directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages in a Restricted Business in a Restricted Territory. It is agreed that ownership of (i) no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation or (ii) any stock he presently owns shall not constitute a violation of this Section.

(b) **Non-Solicitation and Non-Servicing**. During his employment with the Company and continuing for a period of eighteen (18)

months after termination of Executive's employment with the Company for any reason, whether under this Agreement or otherwise, Executive shall not directly or indirectly, personally or through others,

(i) attempt in any manner to solicit, persuade or induce any Client of the Company to terminate, reduce or refrain from renewing or extending its contractual or other relationship with the Company in regard to the purchase or licensing of products or services manufactured, marketed, licensed or sold by the Company, or to become a Client of or enter into any contractual or other relationship with Executive or any other individual, person or entity in regard to the purchase or license of products or services similar or identical to those manufactured, marketed or sold by the Company; or

(ii) attempt in any manner to solicit, persuade or induce any individual, person or entity which is, or at any time during Executive's employment with the Company was, a supplier of any product or service to the Company or vendor of the Company (whether as a distributor, agent, employee or otherwise) to terminate, reduce or refrain from renewing or extending his, her or its contractual or other relationship with the Company; provided, however, this subparagraph (ii) shall not apply with respect to (I) during the first six (6) months after Executive's Separation, up to two service providers of the Company who report in to Executive's organization, were recruited by Executive and had worked with Executive in prior employment, plus Executive's administrative assistant, and (II) during the next six (6) month period thereafter, up to two service providers of the Company who report in to Executive's organization, were recruited by Executive and had worked with Executive in prior employment; or

(iii) render to or for any Client any services of the type rendered by the Company; or

(iv) subject to the exceptions in subparagraph (ii) above, employ as an employee or retain as a consultant any person who is then, or at any time during the preceding twelve months was, an employee of or consultant to the Company (unless the Company had terminated the employment or engagement of such employee or exclusive consultant prior to the time of the alleged prohibited conduct), or persuade, induce or attempt to persuade any employee of or consultant to the Company to leave the employ of the Company or to breach any service arrangement with the Company.

(c) **Non-Disclosure**. Executive has entered into a Proprietary Information and Inventions Agreement with the Company, which is incorporated herein by reference.

(d) **Reasonable**. Executive agrees and acknowledges that the time limitation on the restrictions in this Section 7, combined with the geographic scope, is reasonable. Executive also acknowledges and agrees that this provision is reasonably necessary for the protection of Proprietary Information, that through his Employment he shall receive adequate consideration for any loss of opportunity associated with the provisions herein, and that these provisions provide a reasonable way of protecting the Company's business value which will be imparted to him. If any restriction set forth in this Section 7 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

8. Successors.

(a) **Company's Successors**. This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which becomes bound by this Agreement.

(b) **Employee's Successors**. This Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

9. Taxes.

(a) **Withholding Taxes**. All payments made under this Agreement shall be subject to reduction to reflect applicable withholding and payroll taxes or other deductions required to be withheld by law.

(b) **Tax Advice**. Executive is encouraged to obtain his own tax advice regarding his compensation from the Company. Executive agrees that the Company does not have a duty to design its compensation policies in a manner that minimizes Executive's tax liabilities, and Executive shall not make any claim against the Company or the Board related to tax liabilities arising from Executive's compensation.

(c) Parachute Taxes. Notwithstanding anything in this Agreement to the contrary, if it shall be determined that any payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise ("Total Payments") to be made to Executive would otherwise exceed the amount (the "Safe Harbor Amount") that could be received by Executive without the imposition of an excise tax under Section 4999 of Code, then the Total Payments shall be reduced to the Safe Harbor Amount if (and only if) the Safe Harbor Amount (net of applicable taxes) is greater than the net amount payable to Executive after taking into account any excise tax imposed under section 4999 of the Code on the Total Payments. All determinations to be made under this subparagraph (c) shall be made by a public accounting firm selected by the Company before the date of the Change in Control (the "Accounting Firm"). In determining whether such Benefit Limit is exceeded,

the Accounting Firm shall make a reasonable determination of the value to be assigned to the restrictive covenants in effect for Executive pursuant to Section 7 of this Agreement, and the amount of his potential parachute payment under Section 280G of the Code shall be reduced by the value of those restrictive covenants and all other permissible adjustments to the extent consistent with Section 280G of the Code and the regulations thereunder. To the extent a reduction to the Total Payments is required to be made in accordance with this subparagraph (c), such reduction and/or cancellation of acceleration of equity awards shall occur in the order that provides the maximum economic benefit to Executive. In the event that acceleration of equity awards is to be reduced, such acceleration of vesting also shall be canceled in the order that provides the maximum economic benefit to Executive. Notwithstanding the foregoing, any reduction shall be made in a manner consistent with the requirements of section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this subparagraph (c) shall be borne solely by the Company.

10. Definitions.

(a) **Cause**. For all purposes under this Agreement, "Cause" shall mean:

(i) An intentional and unauthorized use or disclosure by Executive of the Company's confidential information or trade secrets, which use or disclosure causes material harm to the Company;

(ii) A material breach by Executive of any material agreement between Executive and the Company;

(iii) A material failure by Executive to comply with the Company's written policies or rules;

(iv) Executive's conviction of, indictment for, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State thereof;

(v) Executive's gross negligence or willful misconduct which causes material harm to the Company;

(vi) A continued failure by Executive to perform reasonably assigned duties after receiving written notification of such failure from the Board (other than by reason of Executive's physical or mental illness, incapacity or disability); or

(vii) A failure by Executive to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested in writing Executive's cooperation, and Executive has not cooperated in good faith within 5 business days.

With respect to subparagraphs (ii), (iii) or (vi), the Company shall not have the right to terminate Executive for Cause if Executive cures the breach or failure within 30 days of the Company's written notice to Executive of such breach or failure.

(b) **Change in Control**. For all purposes under this Agreement, "Change in Control" shall mean the occurrence of:

(i) The acquisition, by a person or persons acting as a group, of the Company's stock that, together with other stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the Company;

(ii) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of 30% or more of the total voting power of the Company;

(iii) The replacement of a majority of the members of the Board, during any 12-month period, by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of such appointment or election; or

(iv) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of the Company's assets having a total gross fair market value (determined without regard to any liabilities associated with such assets) of 80% or more of the total gross fair market value of all of the assets of the Company (determined without regard to any liabilities associated with such assets) immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur unless such transaction also qualifies as an event under Treas. Reg. §1.409A-3(i)(5)(v) (change in the ownership of a corporation), Treas. Reg. §1.409A-3(i)(5)(vi) (change in the effective control of a corporation), or Treas. Reg. §1.409A-3(i)(5)(vii) (change in the ownership of a substantial portion of a corporation's assets).

(c) **Client.** For all purposes under this Agreement, "Client" shall mean (i) anyone who is a client of the Company as of, or at any time during the one-year period immediately preceding, the termination of Executive's employment, but only if Executive had a direct relationship with, supervisory responsibility for or otherwise were involved with such client during Executive's employment with the Company and (ii) any prospective client to whom the Company made a new business presentation (or similar offering of services) at any time during the one-year period immediately preceding, or six-month period immediately following, Executive's employment termination (but only if initial discussions between the Company and such prospective client relating to the rendering of services occurred prior to the termination date, and only if Executive participated in or supervised such presentation and/or its preparation or the discussions leading up to it).

(d) **Code**. For all purposes under this Agreement, "Code" shall mean the Internal Revenue Code of 1986, as amended.

(e) **Company**. For all purposes under this Agreement, "Company" shall include Synchronoss Technologies, Inc. and all of its subsidiaries and affiliates.

(f) **Good Reason**. For all purposes under this Agreement, "Good Reason" shall mean:

(i) material diminution in Executive's authorities, duties or responsibilities;

(ii) a reduction in Executive's base salary by more than 5% unless pursuant to a Company-wide salary reduction affecting all of the Company's Section 16 officers proportionately;

(iii) relocation of Executive's principal workplace that results in an increase to Executive's commute by more than 50 miles;

(iv) a material reduction in the kind or level of incentive compensation or employee benefits to which Executive is entitled immediately prior to such reduction with the result that Executive's overall compensation and benefits package is significantly reduced, unless such reduction occurs solely as a result of a reduction in the kind or level of employee benefits of employees that applies for all employees of the Company or

(v) a material breach by the Company of this Agreement.

A condition shall not be considered "Good Reason" unless Executive gives the Company written notice of such condition within 90 days after Executive has knowledge of such condition and the Company fails to remedy such condition (or in the case of (v), remedy such breach) within 30 days after receiving Executive's written notice. In addition, Executive's resignation must occur no later than 12 months after Executive has knowledge of such condition.

(g) **Involuntary Termination**. For all purposes under this Agreement, "Involuntary Termination" shall mean either (i) the Company terminates Executive's Employment with the Company for a reason other than death, Cause or Permanent Disability and a Separation occurs, or (ii) Executive resigns his Employment for Good Reason and a Separation occurs.

(h) **Permanent Disability**. For all purposes under this Agreement, "Permanent Disability" shall mean, in the reasonable determination by the Compensation Committee, Executive's inability to perform the essential functions of Executive's position, with or without reasonable accommodation, for a period of at least 180 consecutive days because of a physical or mental impairment.

(i) **Proprietary Information**. For all purposes under this Agreement, "Proprietary Information" shall mean any and all confidential and/or proprietary knowledge, data or information of the Company. By way of illustration but not limitation, Proprietary Information includes (i) trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques; and (ii) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and (iii) information regarding the skills and compensation of other employees of the Company.

(j) **Restricted Business**. For all purposes under this Agreement, "Restricted Business" shall mean the design, development, marketing or sales of software, or any other process, system, product, or service marketed, sold or under development by the Company (and expected to reach market before the end of the Restricted Period) at the time Executive's employment with the Company ends, whether during or after the Term.

(k) **Restricted Territory**. For all purposes under this Agreement, "Restricted Territory" shall mean any state, county, or locality in the United States or around the world in which the Company conducts business.

(l) **Separation**. For all purposes under this Employment Agreement, "Separation" means a "separation from service," as defined in the regulations under Section 409A of the Code.

(m) **Solicit.** For all purposes under this Agreement, "solicit" shall mean (i) active solicitation of any Client or Company employee (but not general marketing of a product, service or open position not targeted at such employee); (ii) the provision of information regarding any Client or Company employee to any third party where such information could be useful to such third party in attempting to obtain business from such Client or attempting to hire any such Company employee; (iii) participation in any meetings, discussions, or other communications with any third party regarding any Client or Company employee where the purpose or effect of such meeting, discussion or communication is to obtain business from such Client or employ such Company employee; and (iv) any other passive use of information about any Client or Company employee which has the purpose or effect of assisting a third party or causing harm to the business of the Company.

11. Miscellaneous Provisions.

(a) **Notice**. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have

been duly given when personally delivered, when delivered by FedEx with delivery charges prepaid, or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices shall be addressed to him at the home address that he most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(b) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Whole Agreement**. This Agreement and the Proprietary Information and Inventions Agreement supersede and replace any prior agreements, representations or understandings (whether oral or written and whether express or implied) between Executive and the Company and constitute the complete agreement between Executive and the Company regarding the subject matter set forth herein; provided that nothing in this Agreement shall supersede an express promise made by the Company in Executive's offer letter.

(d) **Choice of Law and Severability**. This Agreement shall be interpreted in accordance with the laws of the State of New Jersey (except their provisions governing the choice of law). If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively the "Law"), then such provision shall be curtailed or limited only to the minimum extent necessary to bring such provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(e) **No Assignment**. This Agreement and all rights and obligations of Executive hereunder are personal to Executive and may not be transferred or assigned by Executive at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with any sale or transfer of all or a substantial portion of the Company's assets to such entity.

(f) **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(g) **Survival.** The rights and obligations of the parties under the provisions of this Agreement (including without limitation Section 7) shall survive, and remaining binding and enforceable, notwithstanding the termination of this Agreement, the termination of Executive's Employment hereunder or otherwise, to the extent necessary to preserve the intended benefits of such provision.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

Lawrence Irving

SYNCHRONOSS TECHNOLOGIES, INC.

By ____

Stephen Waldis
Chief Executive Officer

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of April 1, 2017 ("Commencement Date"), by and between Robert Garcia (the "Executive") and Synchronoss Technologies, Inc., a Delaware corporation (the "Company"). Executive and the Company agree that the Employment Agreement dated as of January 1, 2015 between the Company and the Executive shall be terminated as of March 31, 2017.

Except as otherwise provided herein, defined terms are set forth in Section 10 below.

1.**Duties and Scope of Employment.**

(a) Position. For the term of his employment under this Agreement (the "Employment"), the Company agrees to employ Executive in the position of President and Chief Operating Officer. Executive shall report to the Company's Chief Executive Officer or his or her designee. Executive's principal workplace shall be in Bridgewater, New Jersey.

(a) **Obligations to the Company**. During his Employment, Executive (i) shall devote substantially all of his full business efforts and time to the Company, (ii) shall not engage in any other employment, consulting or other business activity that would create a conflict of interest with the Company, (iii) shall not assist any person or entity in competing with the Company or in preparing to compete with the Company, (iv) shall comply with the Company's policies and rules, as they may be in effect from time to time and (v) shall comply with the Proprietary Information and Inventions Agreement. This provision shall not restrict Executive's ability to sit on non-profit boards and, subject to Board approval, at least one corporate board.

(b) **No Conflicting Obligations**. Executive represents and warrants to the Company that he is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with his obligations under this Agreement. Executive represents and warrants that he will not use or disclose, in connection with his Employment, any trade secrets or other proprietary information or intellectual property in which Executive or any other person has any right, title or interest and that his Employment will not infringe or violate the rights of any other person. Executive represents and warrants to the Company that he has returned all property and confidential information belonging to any prior employer.

(c) **Indemnification/D&O Insurance**. To the maximum extent permitted by applicable law and the Company's by-laws, the Company shall indemnify Executive for all acts and omissions by him and any action on his part while acting in such capacity, and for losses that arise from serving at the request of the Company or a subsidiary thereof as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. Executive shall be covered by directors' and officers' liability insurance on a basis no less favorable than provided to directors and officers of the Company, including "tail" coverage.

(e) **Commencement Date**. Executive has previously commenced full-time Employment. This Agreement shall govern the terms of Executive's Employment effective as the Commencement Date through the Term (as defined in Section 5(a) below).

2. Compensation

(a) **Salary**. The Company shall pay Executive as compensation for his services a base salary at a gross annual rate of not less than $475,000. Such salary shall be payable in accordance with the Company's standard payroll procedures. (The annual compensation specified in this Subsection (a), together with any increases in such compensation that the Company may grant from time to time, is referred to in this Agreement as "Base Salary.")

(b) **Incentive Bonuses**. Executive shall be eligible for an annual incentive bonus with a target amount equal to 80% of his Base Salary (the "Target Bonus"). Executive's bonus (if any) shall be awarded based on criteria established by the Company's Board of Directors (the "Board") or its Compensation Committee. Executive shall not be entitled to an incentive bonus for a fiscal year if he is not employed by the Company on the last day of the fiscal year for which such bonus is payable or is provided notice of termination under Section 5(b) prior to such time. Any bonus for a fiscal year shall be paid within 2½ months after the close of that fiscal year. The determinations of the Board or its Compensation Committee with respect to such bonus shall be final and binding.

3. Paid Time Off and Employee Benefits. During his Employment, Executive shall be eligible for paid time off in accordance with the Company's paid time off policy, as it may be amended from time to time, with a minimum of 20 paid time off days per year (accruing for each year on the first day of such year), plus three floating holidays, and any United States Company-wide holidays; provided, however, Executive shall not be entitled to carry over any paid time off days from year to year. During his Employment, Executive shall be eligible to participate in the employee benefit plans maintained by the Company, subject in each case to the terms and conditions of the plan in question.

4. Business Expenses. During his Employment, Executive shall be authorized to incur necessary and reasonable travel, entertainment and other business expenses in connection with his duties hereunder. Notwithstanding anything to the contrary herein, except to the extent any expense or reimbursement provided pursuant to this Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code, (a) the amount of expenses eligible for reimbursement provided to Executive during any

calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (b) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred and (c) the right to payment or reimbursement hereunder may not be liquidated or exchanged for any other benefit.

5. Term of Employment.

(a) **Employment Term**. The Company hereby employs Executive to render services to the Company in the position and with the duties and responsibilities described in Section 1 for the period commencing on the Commencement Date and ending upon the earlier of (i) the date of Executive's resignation from the Company and (ii) the date Executive's Employment is terminated in accordance with Section 5(b) (the "Term").

(b) **Termination of Employment**. The Company may terminate Executive's Employment at any time and for any reason (or no reason), and with or without Cause, by giving Executive 30 days' advance notice in writing. Executive may terminate his Employment by giving the Company 30 days' advance notice in writing. The Company shall have the right at any time during such 30-day period, to relieve Executive of his offices, duties and responsibilities and place him on a paid leave-of-absence status, provided that during such notice period, Executive shall remain a full-time employee of the Company and shall continue to receive his then current salary compensation and other benefits as provided in this Agreement. Executive's Employment shall terminate automatically in the event of his death. The termination of Executive's Employment shall not limit or otherwise affect his obligations under Section 7.

(c) **Rights Upon Termination**. Upon Executive's termination of Employment for any reason, Executive shall be entitled to the compensation, benefits and reimbursements described in Sections 1, 2, 3, and 4 for the period preceding the effective date of such termination or otherwise accrued before such termination. Upon the termination of Executive's Employment under certain circumstances, Executive may be entitled to additional severance pay benefits described in Section 6. The payments under this Agreement shall fully discharge all responsibilities of the Company to Executive. This Agreement shall terminate when all obligations of the parties hereunder have been satisfied.

(d) **Rights Upon Death**. If Executive's Employment ends due to death, (A) Executive's estate shall be entitled to receive an amount equal to his target bonus for the fiscal year in which his death occurred (or, if greater, the bonus amount determined based on the applicable factors and actual performance for such fiscal year), prorated based on the number of days he was employed by the Company during that fiscal year and (B) all stock options, shares of restricted stock (other than performance-related restricted stock), and other time-based equity awards granted by the Company and held by Executive at the time of his death shall be fully vested. All amounts under this Section 5(d) shall be paid no later than the date all regular employees are paid their bonuses.

(e) **Rights Upon Permanent Disability**. If Executive's Employment ends due to Permanent Disability and a Separation occurs, (I) Executive shall be entitled to receive (i) an amount equal to his Target Bonus for the fiscal year in which his Employment ended (or, if reasonably ascertainable and greater, the bonus amount determined based on the applicable factors and actual performance for such fiscal year), prorated based on the number of days he was employed by the Company during that fiscal year, and (ii) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of Executive and his eligible dependents with respect to the Company's health insurance plans in which Executive and his eligible dependents were participants as of the date of Separation, and (II) all stock options, shares of restricted stock (other than performance-related restricted stock) and other time-based equity awards granted by the Company and held by Executive shall be fully vested as of the date of Executive's Separation. The amounts payable under this Section 5(e) shall be paid no later 60 days after Executive's Separation.

6. Termination Benefits.

(a) **Preconditions**. Any other provision of this Agreement notwithstanding, Subsections (b) and (c) below shall not apply unless Executive:

(i) Has executed (or, with respect to Section 5(d), the executor or his estate has executed) a general release of all claims Executive (or his executor or estate) may have against the Company or persons affiliated with the Company (substantially in the form attached hereto as Exhibit A) (the "Release");

(ii) Complies with Executive's obligations under Section 7 of this Agreement;

(iii) Has returned all property of the Company in Executive's possession; and

(iv) If requested by the Board, has resigned as a member of the Board and as a member of the boards of directors of all subsidiaries of the Company, to the extent applicable.

Executive must execute and return the Release within the period of time set forth in the Release (the "Release Deadline"). The Release Deadline will in no event be later than 50 days after Executive's Separation. If Executive fails to return the Release on or before the Release Deadline or if Executive revokes the Release, then Executive will not be entitled to the benefits described in this Section 6.

(b) **Severance Pay in the Absence of a Change in Control**. If, during the term of this Agreement and not at a time described in subsection (c) below, Executive resigns his Employment for Good Reason and a Separation occurs or the Company terminates

Executive's Employment with the Company for a reason other than death, Cause or Permanent Disability and a Separation occurs, then the Company shall pay Executive a lump sum severance payment equal to (i) one and one-half times (A) his Base Salary in effect at the time of the termination of Employment plus, (B) his average annual bonus based on the actual amounts received in the immediately preceding two years and (ii) the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of Executive and his eligible dependents with respect to the Company's health insurance plans in which Executive and his eligible dependents were participants as of the date of Separation. In the event that Executive Employment is terminated for a reason other than death, Cause or Permanent Disability or Executive resigns his Employment for Good Reason under this Subsection (b) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of termination if such termination under this Subsection (b) occurs in the first year of employment with the Company and the actual bonus Executive received during the first year of employment with the Company if such termination under this Subsection (b) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (b) shall be reduced by the amount of any severance pay or pay in lieu of notice that Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(c) **Severance Pay in Connection with a Change in Control**. If, during the term of this Agreement and within (i) 120 days prior to or (ii) 24 months following a Change in Control, Executive is subject to an Involuntary Termination, then (i) the Company shall pay Executive a lump sum severance payment equal to (x) two times his Base Salary in effect at the time of the termination of Employment plus two times Executive's average bonus received in the immediately preceding two years and (y) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of Executive and his eligible dependents with respect to the Company's health insurance plans in which Executive and his eligible dependents were participants as of the date of Separation, and (ii) all stock options, shares of restricted stock (other than performance-related restricted stock that is tied to performance after the Change in Control), and other time-based equity awards granted by the Company and held by Executive shall be fully vested as of the date of the Involuntary Termination. In the event that Executive is subject to an Involuntary Termination under this Subsection (c) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of the Involuntary Termination if such termination under this Subsection (c) occurs in the first year of employment with the Company and the actual bonus Executive received during the first year of employment with the Company if such termination under this Subsection (c) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (c) shall be reduced by the amount of any severance pay or pay in lieu of notice that Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(d) **Commencement of Severance Payments**. Payment of the severance pay provided for under this Agreement will be made no later than the first regularly scheduled payroll date that occurs no later than 50 days after Executive's Separation, but only if Executive has complied with the release and other preconditions set forth in Subsection (a) (to the extent applicable). However, except as provided in the next following sentence, if the 50-day period described in Section 5(a) spans two calendar years, then the payment will be made on the first payroll date in the second calendar year following expiration of the applicable revocation period. In the event that Executive experiences an Involuntary Termination immediately at or after a Change in Control, the Company shall work with the surviving company to ensure that any payments due to Executive under subsection (c) above be paid upon the closing of the Change in Control. In addition, if at any time the parties agree that a Good Reason arises after the Change in Control and severance is due to Executive under subsection (c), the Company shall work with the surviving company to insure that any such payments due to Executive are paid promptly after such Good Reason arises.

(e) **Section 409A**. This Agreement shall be construed consistently with the intent that all payments hereunder shall be exempt from the requirements of Section 409A of the Code by reason of the "short-term" deferral exemption or a different exemption. Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. If the Company determines that Executive is a "specified employee" under Section 409A(a)(2)(B)(i) of the Code at the time of his Separation, then (i) payment of any "nonqualified deferred compensation" (within the meaning of Section 409A) that is payable to Executive upon Separation shall be delayed until the first business day following (A) expiration of the six-month period measured from Executive's Separation, or (B) the date of Executive's death, and (ii) the installments that otherwise would have been paid prior to such date will be paid in a lump sum when such payments commence.

7. Protective Covenants.

(a) **Non–Competition.** As one of the Company's executive and management personnel and officer, Executive has acquired extensive and valuable knowledge and confidential information concerning the business of the Company, including certain trade secrets the Company wishes to protect. Executive further acknowledges that during his employment he will have access to and knowledge of Proprietary Information. To protect the Company's Proprietary Information, and in consideration of this Agreement, Executive agrees that during his employment with the Company and for a period of twelve (12) months after the termination of Executive's employment with the Company for any reason, whether under this Agreement or otherwise (the "Restricted Period"), he will not without the Company's approval (which shall not be unreasonably withheld), directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages in a Restricted Business in a Restricted Territory. It is agreed that ownership of (i) no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation or (ii) any stock he

presently owns shall not constitute a violation of this Section.

(b) **Non-Solicitation and Non-Servicing**. During his employment with the Company and continuing for a period of eighteen (18) months after termination of Executive's employment with the Company for any reason, whether under this Agreement or otherwise, Executive shall not directly or indirectly, personally or through others,

(i) attempt in any manner to solicit, persuade or induce any Client of the Company to terminate, reduce or refrain from renewing or extending its contractual or other relationship with the Company in regard to the purchase or licensing of products or services manufactured, marketed, licensed or sold by the Company, or to become a Client of or enter into any contractual or other relationship with Executive or any other individual, person or entity in regard to the purchase or license of products or services similar or identical to those manufactured, marketed or sold by the Company; or

(ii) attempt in any manner to solicit, persuade or induce any individual, person or entity which is, or at any time during Executive's employment with the Company was, a supplier of any product or service to the Company or vendor of the Company (whether as a distributor, agent, employee or otherwise) to terminate, reduce or refrain from renewing or extending his, her or its contractual or other relationship with the Company; provided, however, this subparagraph (ii) shall not apply with respect to (I) during the first six (6) months after Executive's Separation, up to two service providers of the Company who report in to Executive's organization, were recruited by Executive and had worked with Executive in prior employment, plus Executive's administrative assistant, and (II) during the next six (6) month period thereafter, up to two service providers of the Company who report in to Executive's organization, were recruited by Executive and had worked with Executive in prior employment; or

(iii) render to or for any Client any services of the type rendered by the Company; or

(iv) subject to the exceptions in subparagraph (ii) above, employ as an employee or retain as a consultant any person who is then, or at any time during the preceding twelve months was, an employee of or consultant to the Company (unless the Company had terminated the employment or engagement of such employee or exclusive consultant prior to the time of the alleged prohibited conduct), or persuade, induce or attempt to persuade any employee of or consultant to the Company to leave the employ of the Company or to breach any service arrangement with the Company.

(c) **Non-Disclosure**. Executive has entered into a Proprietary Information and Inventions Agreement with the Company, which is incorporated herein by reference.

(d) **Reasonable**. Executive agrees and acknowledges that the time limitation on the restrictions in this Section 7, combined with the geographic scope, is reasonable. Executive also acknowledges and agrees that this provision is reasonably necessary for the protection of Proprietary Information, that through his Employment he shall receive adequate consideration for any loss of opportunity associated with the provisions herein, and that these provisions provide a reasonable way of protecting the Company's business value which will be imparted to him. If any restriction set forth in this Section 7 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

8. Successors.

(a) **Company's Successors**. This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which becomes bound by this Agreement.

(b) **Employee's Successors**. This Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

9. Taxes.

(a) **Withholding Taxes**. All payments made under this Agreement shall be subject to reduction to reflect applicable withholding and payroll taxes or other deductions required to be withheld by law.

(b) **Tax Advice**. Executive is encouraged to obtain his own tax advice regarding his compensation from the Company. Executive agrees that the Company does not have a duty to design its compensation policies in a manner that minimizes Executive's tax liabilities, and Executive shall not make any claim against the Company or the Board related to tax liabilities arising from Executive's compensation.

(c) Parachute Taxes. Notwithstanding anything in this Agreement to the contrary, if it shall be determined that any payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise ("Total Payments") to be made to Executive would otherwise exceed the amount (the "Safe Harbor Amount") that could be received by Executive without the imposition of an excise tax under Section 4999 of Code, then the Total Payments shall be reduced to the Safe Harbor Amount if (and only if) the Safe Harbor Amount (net of applicable taxes) is greater

than the net amount payable to Executive after taking into account any excise tax imposed under section 4999 of the Code on the Total Payments. All determinations to be made under this subparagraph (c) shall be made by a public accounting firm selected by the Company before the date of the Change in Control (the "Accounting Firm"). In determining whether such Benefit Limit is exceeded, the Accounting Firm shall make a reasonable determination of the value to be assigned to the restrictive covenants in effect for Executive pursuant to Section 7 of this Agreement, and the amount of his potential parachute payment under Section 280G of the Code shall be reduced by the value of those restrictive covenants and all other permissible adjustments to the extent consistent with Section 280G of the Code and the regulations thereunder. To the extent a reduction to the Total Payments is required to be made in accordance with this subparagraph (c), such reduction and/or cancellation of acceleration of equity awards shall occur in the order that provides the maximum economic benefit to Executive. In the event that acceleration of equity awards is to be reduced, such acceleration of vesting also shall be canceled in the order that provides the maximum economic benefit to Executive. Notwithstanding the foregoing, any reduction shall be made in a manner consistent with the requirements of section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this subparagraph (c) shall be borne solely by the Company.

10. Definitions.

(a) **Cause**. For all purposes under this Agreement, "Cause" shall mean:

(i) An intentional and unauthorized use or disclosure by Executive of the Company's confidential information or trade secrets, which use or disclosure causes material harm to the Company;

(ii) A material breach by Executive of any material agreement between Executive and the Company;

(iii) A material failure by Executive to comply with the Company's written policies or rules;

(iv) Executive's conviction of, indictment for, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State thereof;

(v) Executive's gross negligence or willful misconduct which causes material harm to the Company;

(vi) A continued failure by Executive to perform reasonably assigned duties after receiving written notification of such failure from the Board (other than by reason of Executive's physical or mental illness, incapacity or disability); or

(vii) A failure by Executive to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested in writing Executive's cooperation, and Executive has not cooperated in good faith within 5 business days.

With respect to subparagraphs (ii), (iii) or (vi), the Company shall not have the right to terminate Executive for Cause if Executive cures the breach or failure within 30 days of the Company's written notice to Executive of such breach or failure.

(b) **Change in Control**. For all purposes under this Agreement, "Change in Control" shall mean the occurrence of:

(i) The acquisition, by a person or persons acting as a group, of the Company's stock that, together with other stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the Company;

(ii) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of 30% or more of the total voting power of the Company;

(iii) The replacement of a majority of the members of the Board, during any 12-month period, by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of such appointment or election; or

(iv) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of the Company's assets having a total gross fair market value (determined without regard to any liabilities associated with such assets) of 80% or more of the total gross fair market value of all of the assets of the Company (determined without regard to any liabilities associated with such assets) immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur unless such transaction also qualifies as an event under Treas. Reg. §1.409A-3(i)(5)(v) (change in the ownership of a corporation), Treas. Reg. §1.409A-3(i)(5)(vi) (change in the effective control of a corporation), or Treas. Reg. §1.409A-3(i)(5)(vii) (change in the ownership of a substantial portion of a corporation's assets).

(c) **Client.** For all purposes under this Agreement, "Client" shall mean (i) anyone who is a client of the Company as of, or at any time during the one-year period immediately preceding, the termination of Executive's employment, but only if Executive had a direct relationship with, supervisory responsibility for or otherwise were involved with such client during Executive's employment with the Company and (ii) any prospective client to whom the Company made a new business presentation (or similar offering of services) at any time during the one-year period immediately preceding, or six-month period immediately following, Executive's employment

termination (but only if initial discussions between the Company and such prospective client relating to the rendering of services occurred prior to the termination date, and only if Executive participated in or supervised such presentation and/or its preparation or the discussions leading up to it).

(d) **Code**. For all purposes under this Agreement, "Code" shall mean the Internal Revenue Code of 1986, as amended.

(e) **Company**. For all purposes under this Agreement, "Company" shall include Synchronoss Technologies, Inc. and all of its subsidiaries and affiliates.

(f) **Good Reason**. For all purposes under this Agreement, "Good Reason" shall mean:

(i) material diminution in Executive's authorities, duties or responsibilities;

(ii) a reduction in Executive's base salary by more than 5% unless pursuant to a Company-wide salary reduction affecting all of the Company's Section 16 officers proportionately;

(iii) relocation of Executive's principal workplace that results in an increase to Executive's commute by more than 50 miles;

(iv) a material reduction in the kind or level of incentive compensation or employee benefits to which Executive is entitled immediately prior to such reduction with the result that Executive's overall compensation and benefits package is significantly reduced, unless such reduction occurs solely as a result of a reduction in the kind or level of employee benefits of employees that applies for all employees of the Company or

(v) a material breach by the Company of this Agreement.

A condition shall not be considered "Good Reason" unless Executive gives the Company written notice of such condition within 90 days after Executive has knowledge of such condition and the Company fails to remedy such condition (or in the case of (v), remedy such breach) within 30 days after receiving Executive's written notice. In addition, Executive's resignation must occur no later than 12 months after Executive has knowledge of such condition.

(g) **Involuntary Termination**. For all purposes under this Agreement, "Involuntary Termination" shall mean either (i) the Company terminates Executive's Employment with the Company for a reason other than death, Cause or Permanent Disability and a Separation occurs, or (ii) Executive resigns his Employment for Good Reason and a Separation occurs.

(h) **Permanent Disability**. For all purposes under this Agreement, "Permanent Disability" shall mean, in the reasonable determination by the Compensation Committee, Executive's inability to perform the essential functions of Executive's position, with or without reasonable accommodation, for a period of at least 180 consecutive days because of a physical or mental impairment.

(i) **Proprietary Information**. For all purposes under this Agreement, "Proprietary Information" shall mean any and all confidential and/or proprietary knowledge, data or information of the Company. By way of illustration but not limitation, Proprietary Information includes (i) trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques; and (ii) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and (iii) information regarding the skills and compensation of other employees of the Company.

(j) **Restricted Business**. For all purposes under this Agreement, "Restricted Business" shall mean the design, development, marketing or sales of software, or any other process, system, product, or service marketed, sold or under development by the Company (and expected to reach market before the end of the Restricted Period) at the time Executive's employment with the Company ends, whether during or after the Term.

(k) **Restricted Territory**. For all purposes under this Agreement, "Restricted Territory" shall mean any state, county, or locality in the United States or around the world in which the Company conducts business.

(l) **Separation**. For all purposes under this Employment Agreement, "Separation" means a "separation from service," as defined in the regulations under Section 409A of the Code.

(m) **Solicit.** For all purposes under this Agreement, "solicit" shall mean (i) active solicitation of any Client or Company employee (but not general marketing of a product, service or open position not targeted at such employee); (ii) the provision of information regarding any Client or Company employee to any third party where such information could be useful to such third party in attempting to obtain business from such Client or attempting to hire any such Company employee; (iii) participation in any meetings, discussions, or other communications with any third party regarding any Client or Company employee where the purpose or effect of such meeting, discussion or communication is to obtain business from such Client or employ such Company employee; and (iv) any other passive use of information about any Client or Company employee which has the purpose or effect of assisting a third party or causing harm to the business of the Company.

11. Miscellaneous Provisions.

(a) **Notice**. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, when delivered by FedEx with delivery charges prepaid, or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices shall be addressed to him at the home address that he most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(b) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Whole Agreement**. This Agreement and the Proprietary Information and Inventions Agreement supersede and replace any prior agreements, representations or understandings (whether oral or written and whether express or implied) between Executive and the Company and constitute the complete agreement between Executive and the Company regarding the subject matter set forth herein; provided that nothing in this Agreement shall supersede an express promise made by the Company in Executive's offer letter.

(d) **Choice of Law and Severability**. This Agreement shall be interpreted in accordance with the laws of the State of New Jersey (except their provisions governing the choice of law). If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively the "Law"), then such provision shall be curtailed or limited only to the minimum extent necessary to bring such provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(e) **No Assignment**. This Agreement and all rights and obligations of Executive hereunder are personal to Executive and may not be transferred or assigned by Executive at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with any sale or transfer of all or a substantial portion of the Company's assets to such entity.

(f) **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(g) **Survival.** The rights and obligations of the parties under the provisions of this Agreement (including without limitation Section 7) shall survive, and remaining binding and enforceable, notwithstanding the termination of this Agreement, the termination of Executive's Employment hereunder or otherwise, to the extent necessary to preserve the intended benefits of such provision.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

Robert Garcia

SYNCHRONOSS TECHNOLOGIES, INC.

By ____

Ronald Hovsepian
Chief Executive Officer

synchronoss

synchronoss

May 5, 2017

Daniel Rizer

[Delivered Electronically]

Re: Executive Employment Letter

Dear Daniel,

On behalf of Synchronoss Technologies, Inc. (the Company), I am pleased to confirm your role on the Synchronoss Executive Team. In your role, your title will be Executive Vice President, Business Development, and you will report directly to the Company's CEO, Stephen Waldis.

Your annual base salary for this position will remain at **$420,000**, and you will also be eligible for a discretionary annual target bonus of **80%** of your base salary based upon the achievement of certain company objectives to be established and approved by the Board of Directors or its Compensation Committee. Your compensation will be paid in accordance with the Company's regular payroll practices, subject to normal payroll taxes and other applicable deductions. Your position will be classified as exempt from the overtime and other requirements under federal and state law.

In addition, you will be eligible to participate in the Company's 2017 Executive Long Term Incentive (LTI) Plan with a target value of **$1 million**. The LTI Plan typically consists of 1/3 time-based Restricted Stock Awards (RSAs), 1/3 time-based Stock Options, and 1/3 Performance Shares based on performance criteria established by the Board of Directors. The number of RSAs granted will be based on the stock price as of the date of the grant, and the number of options granted will be based on the Black Scholes value of the stock price as of the date of the grant. All of the foregoing is subject to the approval of the Board of Directors or its Compensation Committee. The RSAs shall vest one-third per year. One-fourth of the Stock Options shall vest after the first year , and 1/48th every month thereafter. All of the Performance Shares shall vest upon the approval of the Board of Directors or its Compensation Committee based upon whether the Company has met the required performance metrics.

In addition, because you have been identified as a Tier One Executive at Synchronoss, your employment at the Company will also be governed by the terms and conditions of the Tier One Executive Employment Plan, a copy of which is attached hereto.

However, please be aware that you retain the option, as does Synchronoss, of ending your employment with Synchronoss at any time, with or without notice and with or without cause. As such, your employment with Synchronoss is at-will and neither this nor any other oral or written representations may be considered a contract for any specific period of time.

We are excited about your addition to the Executive Team and look forward to your contributions to the Synchronoss 3.0 mission. Please verify the acceptance of your role by signing below and indicating the date on which you signed.

Should you have any questions, please do not hesitate to contact me.

Regards,

Kevin Hunsaker
EVP & Chief Human Resources Officer

Acceptance Signature Date

synchronoss

synchronoss

May 8, 2017

Chris Putnam

[Delivered Electronically]

Re: Executive Employment Letter

Dear Chris,

On behalf of Synchronoss Technologies, Inc. (the Company), I am pleased to formally confirm your role on the Synchronoss Executive Team. Your title will remain Executive Vice President, Sales, and you will report directly to the Company's President & COO, Bob Garcia.

Your annual base salary will remain at **$340,000**, and you will still be eligible for a discretionary annual target bonus of **120%** of your base salary based upon the achievement of certain company objectives to be established and approved by the Board of Directors or its Compensation Committee. Your compensation will be paid in accordance with the Company's regular payroll practices, subject to normal payroll taxes and other applicable deductions. Your position will be classified as exempt from the overtime and other requirements under federal and state law.

In addition, you will be eligible to participate in the Company's 2017 Executive Long Term Incentive (LTI) Plan with a target value of **$1.5 million**. The LTI Plan typically consists of 1/3 time-based Restricted Stock Awards (RSAs), 1/3 time-based Stock Options, and 1/3 Performance Shares based on performance criteria established by the Board of Directors. The number of RSAs granted will be based on the stock price as of the date of the grant, and the number of options granted will be based on the Black Scholes value of the stock price as of the date of the grant. All of the foregoing is subject to the approval of the Board of Directors or its Compensation Committee. The RSAs shall vest one-third per year. One-fourth of the Stock Options shall vest after the first year , and 1/48th every month thereafter. All of the Performance Shares shall vest upon the approval of the Board of Directors or its Compensation Committee based upon whether the Company has met the required performance metrics.

In addition, because you have been identified as a Tier One Executive at Synchronoss, your employment at the Company will also be governed by the terms and conditions of the Tier One Executive Employment Plan, a copy of which is attached hereto.

However, please be aware that you retain the option, as does Synchronoss, of ending your employment with Synchronoss at any time, with or without notice and with or without cause. As such, your employment with Synchronoss is at-will and neither this nor any other oral or written representations may be considered a contract for any specific period of time.

We are excited about your addition to the Executive Team and look forward to your contributions to the Synchronoss 3.0 mission. Please verify the acceptance of your role by signing below and indicating the date on which you signed.

Should you have any questions, please do not hesitate to contact me.

Regards,

Kevin Hunsaker
EVP & Chief Human Resources Officer

Acceptance Signature Date

Application Service Provider Agreement

Between

Verizon Sourcing LLC

And

SYNCHRONOSS TECHNOLOGIES, INC.

TABLE OF CONTENTS

APPLICATION SERVICE PROVIDER AGREEMENT

1. PARTIES

This Application Service Provider Agreement is made between Synchronoss Technologies Inc. a Delaware corporation, with offices at 200 Crossing Blvd, Bridgewater, NJ 08807, on behalf of itself and for the benefits of its Affiliates ("Supplier"), and Verizon Sourcing LLC, a Delaware limited liability company, having an office and principal place of business at One Verizon Way, Basking Ridge, New Jersey 07920, on behalf of itself and for the benefit of its Affiliates (individually or collectively "Verizon"), each a Party and together the Parties hereto.

NOW THEREFORE, in consideration of the mutual promises and conditions set forth herein, receipt of which is hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

2. TERM

This Agreement shall become effective when fully executed by both Parties hereto (the "Effective Date"), and the term of the Agreement shall retroactively commence on April 1, 2013 and shall continue in effect until five years from the Effective Date (the "Initial Term"). This Agreement shall be automatically renewed for subsequent one-year periods (each, a "Renewal Term" and together with the Initial Term, the "Term") at the end of the Initial Term or any Renewal Term unless written notice of intent not to renew is given by one Party to the other sixty (60) days' prior to the end of the Initial Term or any Renewal Term. Notwithstanding anything herein to the contrary, the Term shall continue in effect so long as any Authorization Letters are outstanding.

3. DEFINITIONS

The terms defined in this Section shall have the meanings set forth below whenever they appear in this Agreement, unless the context in which they are used clearly requires a different meaning or a different definition is described for a particular Section or provision:

3.1 "Acceptance" or "Accepted" means delivery to Supplier by Verizon of its written notice of acceptance or deemed acceptance as provided in Section 14 or any Authorization Letter.

3.2 "Affiliate" means, at any time, and with respect to any corporation, partnership, person or other entity, any other corporation, partnership, person or entity that at such time, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first corporation, partnership, person, or other entity. As used in this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a corporation, partnership, person or other entity, whether through the ownership of voting securities, or by contract or otherwise.

3.3 “Agreement” means this Application Service Provider Agreement, including all Orders, Statements of Work, Exhibits, attachments and all mutually agreed to Authorization Letters attached to and made a part of this Agreement.

3.4 “App(s)” means the software applications, including Catalog Apps, developed by Supplier for distribution to Subscribers for download, installation and use on such Subscriber’s Wireless Devices.

3.5 “App Store Catalog” means the third party online repository of applications to which Verizon or Supplier submits for publication an App subject to this Agreement. Examples of this include the online Qualcomm Brew Catalog, the Apple iTunes App Store, the Google Play Store, and the Amazon Kindle Fire Marketplace.

3.6 “App Store Owner” means the third party that owns or controls a given App Store Catalog.

3.7 “App Store Developer Agreement” means the agreement (typically a standard-form agreement) governing the submission, review and publication of applications, including any App, to an App Store Catalog, entered into between the developer of such application and the App Store Owner (or its designee), in addition to any policies incorporated into such App Store Developer Agreement.

3.8 “Application Service Provider” or “ASP” means a Person who manages and delivers content or application capabilities to enable Verizon to make such content or application capabilities available to its Subscribers.

3.9 “Authorization Letter” means a service agreement, order, statement of work or authorization letter, substantially in the form of Exhibit A, mutually agreed to between Verizon and Supplier and duly executed by an authorized representative of each party.

3.10 “Background Materials” means Supplier’s tangible and intangible materials and intellectual property that was developed independently from this Agreement or existed before Supplier commenced work on any Software, or Services provided under this Agreement or any Authorization Letter, including without limitation reports, documentation, drawings, computer programs (source code, object code and listings), inventions, know-how, creations, works, devices, masks, models and work-in-process, and any enhancements, corrections, Updates or modifications to such tangible and intangible materials and intellectual property provided it does not include Verizon Confidential Information and expressly excludes any Custom Software or Paid Work Product.

3.11 “Call Detail Information” shall be any information that pertains to the transmission of specific telephone calls, including: (a) for outbound calls, the number called and the time, location or duration of any call, and (b) for inbound calls, the number from which the call was placed and the time, location, or duration of any call.

3.12 “Catalog App(s)” means any software applications developed by Supplier using a third party software development kit and tools developed by an App Store Owner and posted on the online App Store Catalog.

3.13 “Change Request” means a request to modify a previously agreed upon Authorization Letter, in the form attached to this Agreement as Exhibit B, sent in writing or via electronic transmission pursuant to the Change Request Process set forth in Section 4.3 of this Agreement and mutually agreed to by Verizon and Supplier.

3.14 “Commercial Service Date” means the first date that Verizon makes a Data Service commercially available to Subscribers under an Authorization Letter.

3.15 “Content” means digital media objects that Subscribers may preview, download, display, store or otherwise use via the Verizon Service. For greater certainty, Content may include audio, pictures, images, text, graphics, video or other media objects in formats described in the Specifications or as mutually agreed by the Parties, but shall not include any text or digital media objects originated by Subscribers.

3.16 “Content Provider” means any third party who has licensed Content to either Verizon or Supplier.

3.17 “CPNI” or “Customer Proprietary Network Information” shall be as defined in 47 U.S.C. Section 222(h)(1).

3.18 “Custom Software” means the system software, application software and other computer programs resulting from the Development Services provided by Supplier under this Agreement or an Authorization Letter that are not part of the Platform or Supplier Background Materials. Custom Software includes both object code and source code.

3.19 “Data Service” means a service made available by Verizon to Subscribers based upon the Platform, Services, and/or Software described in an applicable Authorization Letter including all exhibits attached thereto, as amended by any Change Request.

3.20 “Deliverables” means all Documentation and other materials, and all Upgrades thereto (i) are delivered to Verizon as described in an Authorization Letter or (ii) that Supplier agrees to provide to Verizon in providing Software or in performing the Services described in an Authorization Letter. For the avoidance of doubt, the Platform shall not be considered a Deliverable.

3.21 ”Development Services” means the design, creation, development, modification or enhancement of computer programs by Supplier pursuant to this Agreement or an Authorization Letter.

3.22 “Documentation” means all documentation containing requirements, technical and functional specifications, relating to the design, testing, training, operation and support of a Platform or Software whether in print or in electronic form, including without limitation, (i) Supplier’s then current specifications relating to Platform, Service or Software, (ii) user, maintenance and system administration documentation including without limitation user guidelines, operating manuals, training manuals and technical materials relating to Platform or Services; and (iii) any and all revisions to the above that Supplier provides or agrees to provide to Verizon in an Authorization Letter.

3.23 “Error” means failure of the Platform, Software or Services to perform in accordance with its Specifications.

3.24 “Hardware” means the hardware, equipment or facilities furnished by Supplier or used by Supplier to provide Hosted Services (including the Firmware licensed to Verizon when such Firmware is in the Hardware) and all additions, extensions, components, supplies, test equipment, apparatus and parts, as specified or identified in this Agreement or in an Authorization Letter, including, without limitation, those set forth or otherwise identified in any Authorization Letter, and all other Exhibits to this Agreement.

3.25 “Hosting Service” or “Hosted Service” shall mean the implementation and ongoing operation of a Platform connected to the Verizon Network by any means, including, without limitation, wide area data communications network connections to enable a Data Service to be provided to and used by Subscribers.

3.26 “Indirect Channel Entity” means any third party whom Verizon has authorized in writing to offer, promote, market and resell Verizon Services indirectly or through one or more tiers of indirect distribution, under the Trademarks of Verizon or the Trademarks of such Indirect Channel Entity. For greater certainty, the term “Indirect Channel Entity” expressly does not include overseas Affiliates of Verizon or its parent companies.

3.27 “Intellectual Property Rights” means any patent, copyright, rights in trademarks, trade secret rights and other intellectual property or proprietary rights arising under the laws of any jurisdiction.

3.28 “Milestones” means the schedule of development and delivery milestones specified in an Authorization Letter.

3.29 “Person” means any natural person, corporation, partnership, limited liability company or other entity.

3.30 “Platform” means the system comprised of computer equipment, Software and network interconnections and services, owned, implemented and operated by Supplier (and any corrections, Updates, enhancements or modifications thereto which enables Verizon to provide or support a Data Service to Subscribers as provided in an Authorization Letter.

3.31 “Products” means all Platform, Software and Services, and all hardware, equipment, supplies, materials, parts, components and assemblies used to provide the Services described in an Authorization Letter.

3.32 “Self-Help Code” means (i) any back door, “time bomb”, drop-dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than a licensee of the program and (ii) any digital rights management or copy protection code for the Software other than as noted in the applicable Documentation. Self-Help Code does not include software routines in a computer program designed to permit the licensor of the computer program (or other person acting by authority of the licensor) to obtain access to a licensee’s computer system(s) (e.g., remote access via modem) for purposes of maintenance or technical support.

3.33 “Services” means all installation, implementation, technical support, maintenance, modification, training, repair, Development Services, Hosting Services, and other services related to a Data Service or Software that Supplier will provide to Verizon, as described in an applicable Authorization Letter including all exhibits attached thereto, as amended by any Change Request.

3.34 “Service Description” means the document attached to the applicable Authorization Letter and made a part thereof, that describes the Service or Software (as applicable) that Supplier will provide to Verizon, as may be modified by Change Requests agreed to by Supplier and Verizon pursuant to the Change Request Process.

3.35 “Verizon Service Requirements” means, collectively, all of the Specifications and all of the requirements for a Data Service or Software set forth or referenced in the applicable Authorization Letter, including but not limited to the Service Description, Service Level Agreement; Security Requirements (as set forth in Exhibit C and as supplemented or as modified in an applicable Authorization Letter); Training Plan and Disaster Recovery Requirements documents, as applicable and as amended from time to time by any mutually agreed upon Change Request, or otherwise upon mutual written agreement of the Parties.

3.36 “Service Level Agreement” or “SLA” means the document attached to the applicable Authorization Letter, which defines and sets forth the service level commitments to be performed by Supplier.

3.37 “Service Web Site” means the location on the Internet or other public data network accessed via a computing device at a URL specified by Verizon which will serve as a location and mechanism through which (i) information about a Data Service or Software may be provided by Verizon, (ii) a Person may elect to become a Subscriber or modify elections made for such Data Service or Software, or (iii) Content may be accessed by, transmitted to the Data Service by, or delivered to Subscribers. With respect to any Web Site maintained on the World Wide Web, such Web Site includes all HTML Pages (or similar unit of information presented in any relevant data protocol) that either are identified by the same second-level domain (such as www.verizonwireless.com) or by an equivalent level identifier in any relevant address scheme.

3.38 “Software” means on whatever media provided, a program, or programs, including data files, system software and application software and firmware consisting of machine readable logical instructions and tables of information, which guide the functioning of a processor or which provide functional and operational performance capabilities and capacities, including all updates, upgrades and enhancements thereto. The term Software as used in this Agreement shall include Apps.

3.39 “Source Code” means the human-readable version of particular Software, as well as associated documentation required or necessary to enable an independent third party programmer with reasonable programming skills to compile, create, operate, maintain, modify and improve such Software and associated documentation without the help of any other Person.

3.40 “Specifications” means the written functional and technical specifications and requirements for a Platform or Software attached to or referenced in this Agreement or the applicable Authorization Letter and all Documentation, as amended from time to time by any mutually agreed upon Change Request or otherwise by mutual written agreement of the Parties.

3.41 “Subscriber” means a Person who (i) subscribes, in a manner prescribed by Verizon, to access and use a Data Service or Software from a Wireless Device and/or (ii) registers in a manner prescribed by Verizon, to access and use a Data Service or Software from a personal computer. For greater certainty, a Person may become a Subscriber either directly through Verizon or indirectly through an Indirect Channel Entity.

3.42 “Subscriber Data” means information or data that (i) is provided by Verizon or a Subscriber, or compiled, generated or collected by either Party in connection with a Data Service or Software, and (ii) identifies the Subscriber individually, or that when compared to or otherwise combined or processed with other information enables an individual Subscriber to be identified. For greater certainty, “Subscriber Data” includes, without limitation, user name or ID, account number, individual usage data, user profile or preferences, credit card or other payment information, mailing address, email address, IP address, landline or cellular telephone numbers, Social Security number and date of birth.

3.43 “Trademarks” means, with respect to each Party, their trademarks, service marks, trade names, logos, brands and other proprietary indicia.

3.44 “Unauthorized Code” means any virus, Trojan horse, worm, rootkit, or other software routine or hardware component designed to enable unauthorized access to, to disable, to erase, or otherwise to harm software, hardware, or data or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code.

3.45 “Updates” means all future releases, patches, fixes, corrections, enhancements program code changes, improvements, upgrades, updates and new releases relating to Software, as well as refinements, solutions, changes and corrections to the Software as are required to keep the Software in conformance with the applicable Service Requirements and that are created by Supplier as corrections for defects in the Software, including without limitation error corrections, installation programs, and data conversion programs applicable to the Software.

3.46 “Usage Data” means information or data other than Subscriber Data (as defined above) that describes the operation of a Data Service for or use of a Data Service by Verizon, including but not limited to the number of Subscribers served, the volumes or types of Content stored, downloaded or used, the patterns or frequency of such use, use by geographic area or other similar analytical breakdown, financial information, network configurations, characteristics or capacity, performance metrics, test results, trouble reports and customer service information.

3.47 "Use" means (i) to read Software into or out of hardware memory; (ii) to access, use, execute, operate, display, perform, and store Software, in whole or in part, on any computer system, processor or mobile devices on which Software will function, and on any number of computer systems, processors, or mobile devices; (iii) to transfer into, and store in, equipment all or any portion of the Software; and (iv) to process and execute instructions, statements and data included in, or output to, the Software, all without any modifications to the Software.

3.48 "Verizon Content" means Content (as defined in Section 3.15) that is owned by Verizon or licensed to Verizon by third parties.

3.49 "Verizon Trademarks" means the Trademarks of Verizon that are used in a Data Service or Software or by Verizon in connection with Verizon Services.

3.50 "Verizon Services" means all voice and data communications services provided by Verizon, including, but not limited to, the wireless airtime and landline usage incidental to providing such services.

3.51 "Verizon Network" means the combination of interconnected, integrated telecommunications equipment owned, operated, licensed or leased by Verizon or its Affiliates, into which a Data Service will be integrated at one or more specified points as mutually agreed, that interoperates concurrently and as a whole for the purpose of transmitting, switching and receiving signals, containing voice messages and data, by any means, including electromagnetic (i.e., through the air) means.

3.52 "Supplier Content" means Content (as defined in Section 3.15) that is owned by Supplier or licensed to Supplier by third parties.

3.53 "Wireless Device" means any communications device that enables Subscribers to access and use a Data Service or Software.

4. SCOPE/AUTHORIZATION LETTERS

4.1 This Agreement does not by itself order any Service or Software. Verizon shall order Service or Software by submitting an Authorization Letter, substantially in the form attached hereto as Exhibit A, in accordance with the terms of this Agreement.

4.2 Authorization Letters

4.2.1 Supplier shall furnish Service or Software as specified in Authorization Letters issued from time to time by Verizon and accepted by Supplier. Verizon shall from time to time issue Authorization Letters in the form appended hereto as Exhibit A, setting forth in detail the specific tasks to be performed and the time frame in which they are to be performed. Authorization Letters for Development Services shall set forth a description of the services and the Custom Software or Paid Work Product ordered, if any, including Service Requirements, Milestones, pricing, and other relevant information, shall be signed by both parties, and shall be identified as an Authorization Letter issued pursuant to this Agreement.

4.2.2 Verizon shall appoint a Project Leader in each Authorization Letter issued by Verizon under this Agreement.

4.3 Change Requests

4.3.1 Verizon and Supplier may, at any time, agree to make additions, deletions or other modifications to a previously requested Service or Software through the Change Request Process set forth in Section 4.3.2 below. Such requests may include one or more documents appended thereto, all of which collectively shall comprise the requests. Change Requests shall be in the form appended hereto as Exhibit B. The parties acknowledge and agree that Change Requests shall not be used when the work requested will involve creation of new Custom Software or Paid Work Product, the ownership of which has not been previously agreed upon in an Authorization Letter.

4.3.2 Upon receipt of any proposed Change Request from Verizon, Supplier will provide to Verizon (i) a written a description of the work Supplier anticipates performing in order to effectuate requested change(s), (ii) a schedule for commencing and completing such work, and (iii) the costs to Verizon associated with such change(s) or services. If Verizon elects to have Supplier perform the changes requested, Verizon will have such Change Request signed by an authorized representative and Supplier shall then also have such Change Request signed by an authorized representative. A Change Request shall not be valid and neither Supplier nor Verizon will incur any liability thereunder until signed and approved by authorized representatives of both Parties (the "Change Request Process").

4.3.3 Except as otherwise provided in a Change Request (or the underlying Authorization Letter), Verizon may cancel or reschedule Change Requests for convenience, in whole or in part, by providing at least thirty (30) days written notice to Supplier. Supplier shall promptly curtail all activities in respect of such Services in the Change Request. Except as otherwise provided in the Change Request (or the underlying Authorization Letter), Verizon's sole liability to Supplier under such cancelled Change Request will be the payment of all amounts due Supplier for work performed as supported by reasonable documentation through the effective date of cancellation. Where such work was to be paid on delivery of a Milestone or Deliverable, charges for such work shall be based on a time and materials basis calculated as number of hours worked at $150 per hour (no hours prior to the execution of such Change Request shall be included) for any work in progress, capped at 75% of the payment due for such work in the applicable Change Request (or the underlying Authorization Letter) for such Milestone or Deliverable, unless other termination fees or charges are specified under such Authorization Letter (in which case such stated termination fees or charges shall be in lieu of any other partial payments).

4.4 Affiliates

An Affiliate that issues an Authorization Letter may enforce the terms and conditions of this Agreement with respect to any Software or Services purchased by such Affiliate as though it were a direct signatory to the Agreement. Default by one Affiliate shall not affect any other Affiliate party to this Agreement.

5. **LICENSES**

5.1.1 Supplier grants to Verizon and its Affiliates and to its and their employees, agents and contractors, a non-exclusive, irrevocable (other than for Verizon's uncured material breach), worldwide, license and right to Use and access the Platform, Services and, to the extent Software is provided to Verizon, an unlimited number of copies of any Software and any Documentation related thereto required for Use and access to the Platform as specified in an Authorization Letter during the Term, at the prices set forth in the applicable Authorization Letter. Where expressly permitted by an Authorization Letter, Software may be sublicensed by Verizon to its original equipment manufacturers ("OEMs"), customers and Indirect Channel Entities in accordance with the foregoing sentence.

5.1.2 Verizon shall also have the right, at no additional charge, to Use the Software by means of remote electronic access at locations other than the locations at which the Software is stored. Supplier also grants to Verizon the right to authorize Use of such license to its subcontractors, agents, contractors, outsourcing entities and others for use when performing services for Verizon; provided that Verizon shall remain responsible to any violation of the Agreement or any Authorization Letter by such parties. In addition, if Verizon transfers or assigns the Software to an Affiliate or a third party in connection with the provision or support of network services, then the license granted hereunder shall extend to such transferee or assignee. No such authorization, transfer or sublicense shall release Verizon from its obligations hereunder.

5.2 License Term

Except as otherwise set forth herein, the term of each license of Software granted under this Agreement or any Authorization Letter shall commence on the applicable delivery date, or such other date as set forth in an Authorization Letter, and shall remain in effect perpetually, or for such shorter term as set forth in an Authorization Letter, or until the Use of the Software, as it may have been updated or enhanced is permanently discontinued by Verizon, unless such license for Software is terminated in accordance with Section 17.

5.3 Shrink-Wrap Licenses

Under no circumstances shall any Supplier shrink-wrap or click-wrap license be given any force or effect in connection with any Software and Verizon specifically rejects all such licenses. The Parties agree to replace the terms of such licenses with the terms of this Agreement or an Authorization Letter, if applicable.

5.4 Content Licenses

5.4.1 Verizon grants to Supplier a limited, nonexclusive, non-transferable, royalty-free license to Verizon Content to copy, store, display, transmit, distribute and sell Content solely for the purpose of providing Verizon Content via its Platform for Verizon's Data Service to Subscribers in accordance with the applicable Authorization Letter, expressly without the right of further sublicense of any of the foregoing. Nothing in this Section shall be interpreted as granting Supplier any greater rights or authorizations than are granted to Verizon pursuant to its licensing agreements with Content Providers. Supplier shall have no right to reproduce or sub-license, re-sell or otherwise distribute all or any portion of Verizon Content to any person in any form or any manner other than as necessary or appropriate in providing a Service or Software in accordance with the applicable Service Requirements. Except as otherwise agreed in writing, Supplier shall not receive, transmit, alter, copy, access, store, or otherwise use Verizon Content except for purposes of performing its obligations under an applicable Authorization Letter. Supplier shall protect all Verizon Content from unauthorized alteration, copying, access, storage, transmittal or use as required in this Agreement and as provided in the Service Requirements.

5.4.2 Supplier grants to Verizon a limited, nonexclusive, non-transferable license to Supplier Content to copy, store, display, transmit, distribute and sell Supplier Content solely for the purpose of providing Supplier Content through the Platform via a Data Service to Subscribers in accordance with an applicable Authorization Letter, expressly without the right of further sublicense of any of the foregoing. Nothing in this Section shall be interpreted as granting Verizon any greater rights or authorizations than are granted to Supplier pursuant to its licensing agreements with Content Providers. Verizon shall have no right to reproduce or sub-license, re-sell or otherwise distribute all or any portion of Supplier Content to any person in any form or any manner other than as necessary or appropriate in providing a Data Service in accordance with the applicable Service Requirements.

5.5 All rights and licenses granted under or pursuant to this Agreement or any Authorization Letter by Supplier to Verizon are, and shall otherwise be deemed to be, for the purposes of Section 365(n) of the United States Bankruptcy Code ("Code"), licenses to rights to "intellectual property" as defined in the Code. The Parties agree that Verizon, as licensee of such rights under this Agreement, shall retain and may fully exercise all of its rights and elections under the Code. The Parties further agree that, in the event of a bankruptcy proceeding by or against Supplier under the Code, Verizon shall be entitled to retain all of its rights (including all licenses) under this Agreement and/or any Authorization Letter. In the event of filing a petition for relief under the Code, Supplier shall assume or reject the Agreement within thirty (30) days.

5.6 Catalog Apps

5.6.1 Additional License Terms

5.6.1.1 Supplier hereby grants to Verizon and its Affiliates and to its and their employees, agents and contractors, a non-exclusive license to: (i) copy, reproduce, display, submit for approval and perform all Apps on the applicable App Store Catalog, in object code format only; and (ii) exploit, use, distribute, transmit, and sublicense for download an unlimited number of copies of all such Apps to Subscribers, in object code format only, such that Subscribers may access and use the corresponding Data Service in accordance with the Agreement or an Authorization Letter.

5.6.1.2 With respect to each Apps submitted to the applicable App Store Catalog, the foregoing license shall commence on the date the App is submitted to the applicable App Store Catalog and will terminate on the earlier of (a) the date the App is removed from the applicable App Store Catalog, or (b) the date of termination of the applicable Authorization Letter. No such removal or termination will terminate a Subscriber's rights or licenses to continue to use those Apps that were downloaded by the Subscriber prior to such removal or termination. All rights not granted in this Agreement are hereby reserved by Supplier.

5.6.2 Developer

5.6.2.1 For each App, Supplier agrees and Verizon acknowledges that, unless otherwise required by the applicable App Store Owner or agreed between the Parties, for all purposes in connection with the submission of Apps to the applicable App Store Catalog, Supplier shall be the developer of the Apps and shall be bound by, and shall comply with, all applicable terms of the applicable App Store Developer Agreement (and any related submission policies made known to Supplier by the App Store Owner).

5.6.2.2 Removal by Supplier

Notwithstanding anything to the contrary contained in the App Store Developer Agreement, which may provide Supplier the ability to request the removal of any Apps from the App Store Catalog ,Supplier shall not, without Verizon's prior written consent, request that Apps be removed from the App Store Catalog. Upon such consent and removal, Supplier acknowledges and agrees that such removal will terminate the applicable Authorization Letter with respect to such App, and that the removal of any Catalog App from the App Store Catalog will not terminate a Subscriber's rights or licenses to continue to use such App if the App was downloaded by the Subscriber prior to removal. The foregoing shall not limit the ability of Supplier to replace or update an App for a given Wireless Device

(eg: provide an update App to correct an Error).

5.6.2.3 Removal by Verizon.

Verizon may at any time, at its sole discretion and for any reason, remove any App that is exclusively used for Verizon and provided under this Agreement from an App Store catalog and upon doing so will provide notice to Supplier. The removal of any App from the App Store Catalog will not terminate a Subscriber's rights or licenses to continue to use such App if the App was downloaded by the Subscriber prior to removal.

5.6.2.4 Direct Pay.

Except as expressly set forth in an Authorization Letter, the parties agree that all payments to Supplier for the download and/or use of Supplier's Apps shall come directly from Verizon and Supplier shall not be paid by an App Store Owner for any Apps downloaded from the App Store Catalog by Subscribers. The fees payable by Verizon to Supplier as set forth herein shall be in lieu of any and all amounts that would otherwise have been payable to Supplier by Qualcomm or Verizon under the Qualcomm App Store Developer Agreement.

5.6.2.5 Qualcomm - Establishing the DAP.

For each Apps that Supplier makes available on the Qualcomm App Store Catalog, Supplier must submit a pricing template(s), indicating the agreed upon Developer Application Price (DAP) for such Catalog App in accordance with the BREW Developer Agreement (the App Store Developer Agreement applicable to Qualcomm BREW applications). Supplier and Verizon may choose from time to time to discuss and negotiate a DAP for one or more such Qualcomm BREW Catalog Apps. If Supplier and Verizon negotiate a DAP for one or more such Qualcomm BREW Catalog Apps, Supplier must still submit a pricing template(s) for the Qualcomm BREW Catalog App(s) in accordance with the BREW Developer Agreement.

5.7 Limited License to Supplier APIs

5.7.1 (a) In addition to the license rights to the Software granted to Verizon hereunder, Supplier hereby grants to Verizon, subject to the terms and conditions of this Agreement, including payment of the fees as set forth therein or in an applicable SOW, if any, a perpetual, non-exclusive, limited right to use and sublicense Supplier's Solution API (as defined below) to those manufacturers of devices supported by the Solution and developers of software applications that reside and operate on devices supported by the associated Supplier Platform (each, a "Device Application Developer") solely to enable the App to interface and interoperate with the associated Supplier Platform and access and use the functionality of such Supplier Platform licensed from Supplier by Verizon solely for the benefit of Verizon's Subscribers. Such right includes the right for Device Application Developers to incorporate the Solution API into an interface of the Device Application and to support and maintain such interface subject to the limitations above.

(b) In addition, upon termination of this Agreement or the applicable Authorization Letter (other than for cause by Supplier), provided that such termination is not due to Verizon's breach of this Agreement, and Verizon has paid all fees due, including termination charges due, such license to the Solution API shall be extended to grant to Verizon the right to use and sublicense the Solution API to Device Application Developers solely to incorporate the Solution API into an interface of the Device Applications and support and maintain such interface with any service offering similar functionality to the associated Supplier Platform (and not solely to interface with the associated Supplier Platform) solely for the benefit of Verizon's Subscribers (including those Subscribers using the service offering similar functionality to the associated Supplier Platform referenced in this sentence). In all cases, Verizon shall inform Supplier in writing of any Device Application Developer to which Verizon Wireless has provided the Solution API. Verizon shall be liable for any breach by a Device Application Developer of any of the covenants and obligations of Verizon hereunder.

5.7.2 During the Term or Renewal Term, Verizon may provide written notice to Supplier that it wishes to use and sublicense the Solution API set forth in subsection 5.7.1 to Device Application Developers to incorporate the Solution API into an interface of the Device Applications and support and maintain such interface with any service offering similar functionality to the associated Supplier Platform (and not solely to interface with the Supplier Platform) solely for the benefit of Verizon Subscribers because (A) Supplier has been subject to credits for failure to meet any one service level set forth in an applicable Service Level Agreement for three (3) consecutive months where each such failure is subjected to a credit of at least $150,000 or (B) Supplier's Platform (or non-Platform Software supporting a Data Service) is not within Industry-Standards (solely from a technology basis including without limitation features and functionality) in some or all material respects and there is another service offering which Verizon wishes to use and that Verizon in good faith determines such service offering to address the "Industry Standards" issues identified in the affected Platform (or non-Platform Software supporting a Data Service). If such notice is pursuant to subsection (B) and Supplier fails to meet such "Industry Standards" in all material respects within a reasonable period after the receipt of such notice but no later than the production release date of the next feature release of the Platform (or non-Platform Software supporting a Data Service) that will reasonably accommodate any industry standard issues that may arise or which the content of such feature release has not yet been finalized, then such license shall be so extended as set forth herein. For the avoidance of doubt, in the event of the extension of the license to the Solution API as described above, this shall not release Verizon of any of its other obligations under this Agreement, including but not limited any payment obligations and Supplier has the right to immediately rescind such license in the event of any uncured material breach by Verizon under this Agreement. In the event that Verizon does not give notice of its exercise of the right hereunder to Supplier within 90 days of the trigger of such right, Verizon shall have been deemed to waive such right with respect to such triggering event.

5.7.3 Verizon shall enter into an agreement with each Device Application Developer whereby such Device Application Developer (i) agrees to keep the Solution API and any Supplier information confidential, and (ii) disclaims all liability of Supplier with respect to the Solution API.

5.7.4 Supplier shall have no obligation to provide any maintenance or technical or product support to any Device Application Developer in the event of Section 5.7.1(b) or 5.7.2 above. Any such support provided to Verizon on behalf of a Device Application Developer or to any Device Application Developer shall be subject to additional professional service charges from Supplier as agreed upon in a Change Order. Neither Verizon nor any Device Application Developer shall have any ownership right to the Solution API.

5.7.5 Definitions. As used herein:

5.7.5.1 "Solution API" means the application programming interfaces ("API") to the Supplier Software or Platform and related documentation.

5.7.5.2 "Device Application" means a Verizon or Device Application Developer product or software application intended for installation and use on a device (such as tablet or smart phone) that incorporates the Solution API therein, which is designed for, and usable, in strict accordance within the terms of this Agreement. The Device Application is distributed to the Subscriber of the applicable device.

6. OVERALL PERFORMANCE REQUIREMENT

Supplier represents, warrants and agrees that it has the responsibility, duty and obligation to provide, perform, and deliver, to the extent set forth herein, the Services and/or Software described in any Authorization Letter(s) pursuant to this Agreement and Supplier further agrees and acknowledges:

6.1 that it recognizes that the Software and Services which are to be provided under this Agreement must be delivered in compliance with the scheduled dates and requirements set forth in the Authorization Letter(s) and perform in compliance with the Specifications; and

6.2 that Supplier has and will maintain an organization staffed by qualified personnel, including "key personnel," with the knowledge, skill and resources to perform and complete the work and that there are and will be no commitments, legal, contractual or otherwise that are in conflict with Supplier's obligations under this Agreement and applicable Authorization Letter.

7. HOSTING

7.1 Upon acceptance of an Authorization Letter which includes Hosting Services, Supplier shall provide, install, maintain and support a Platform, including all necessary hardware, software, and services for the deployment, integration (to the extent indicated in an Authorization Letter), maintenance and management of the Platform or Software as described in the applicable Authorization Letter and shall provide such Hosting Service to Verizon in compliance with the Security Requirements set forth in Exhibit C hereto (as may be modified or supplemented in an Authorization Letter) and the applicable Authorization Letter, including all attachments thereto.

7.2 In the event Verizon elects to terminate the Hosting Service only (such date of termination, the "Hosting Termination Date"), and either internally provide and operate through its own equipment and facilities, or provide and operate through the equipment and facilities of its third party vendor, all or any part of such Hosting Service. In the event Verizon elects to terminate the Hosting Services as described above (or the Agreement or applicable SOW terminates or expires for any reason) and subject to payment by Verizon of any applicable fees for early termination of Hosting Services as set forth in an Authorization Letter:

7.2.1 Supplier shall provide Verizon, or its third party vendor, reasonable assistance in completing the transition to the internal operation of the Hosting Services by Verizon; and

7.2.2 Supplier or its successors in interest shall furnish to Verizon or its designee that is not a competitor of Supplier, the following documentation and information related to Hosting Services: (1) documentation regarding system, database and storage administration; (2) features and technical specifications for the hosting environment; (3) detailed equipment and software configurations for servers, storage, communications and other systems supporting the Hosting Services; (4) installation and testing procedures; (5) operations and provisioning procedures; (6) maintenance procedures and diagnostics; and (7) such other documentation the parties agree is reasonably necessary to support the Hosting Services. Verizon or its designee shall use such information and documentation solely to the extent necessary to support the Hosting Services. Such information and documentation shall be provided pursuant to a mutually agreeable statement of work, which shall set forth the specific tasks to be undertaken by Supplier in connection with such transition, the fees to be paid by Verizon therefor, and the time period for completing such transition; and

7.2.3 Verizon shall have the option, to purchase from Supplier such equipment elements used by Supplier to provide the Hosting Service, to the extent they are (i) owned by Supplier and no third party limitation or restriction prohibits such purchase, (ii) dedicated to the Hosting Services and not shared or used by any other customer of Supplier and (iii) reasonably necessary or appropriate to provide the Hosting Services internally or through the facilities of its third party vendor; and

7.2.4 The rights and obligations of the Parties under the provisions of this Section 7.2, and solely to the extent that they relate to the Hosting Service all other terms, Exhibits and addenda, shall terminate effective as of the Hosting Termination Date, provided that any obligation on the part of Verizon including the obligation to pay any Fees, in respect of the Hosting Service for periods prior to the Hosting Termination Date, and any applicable early termination charges as set forth in the Authorization Letter, shall survive the Hosting Termination Date. In addition, the respective obligations of the Parties relating to the Hosting Service that by their nature would continue beyond the Hosting Termination Date, including but not limited to the obligations to indemnify, maintain confidentiality, maintain records and permit audits, shall survive the Hosting Termination Date with respect to the Hosting Service.

8. DEVELOPMENT SERVICES

8.1 Custom Software Development/Paid Work Product

Supplier will design, develop, document, test and deliver the Custom Software or Paid Work Product identified in an Authorization Letter in accordance with the Service Requirements, Milestones and other terms of that Authorization Letter. Supplier shall comply with Verizon's reasonable requests for changes to the Service Requirements that do not, either individually or in the aggregate, require more time, cost or effort from Supplier.

8.2 Background Materials

Supplier will not include any Background Materials in the Custom Software or Paid Work Product without Verizon's prior written consent (an express identification of such Background Materials within the applicable Authorization Letter shall be acceptable as Verizon's consent for such purpose). For all Background Material used or included in Custom Software or Paid Work Product, Supplier grants to Verizon a royalty free, non-exclusive transferable, sublicensable irrevocable worldwide license to Use such Background Material except as set forth in an Authorization Letter. As used herein, to Use the Background Material means to use, display, perform, modify, enhance, reproduce and make derivative works for any purpose.

8.3 Status of Information

Supplier shall allow personnel of Verizon to visit Supplier's place of business at reasonable times to discuss and inspect the status of the development of the Custom Software or Paid Work Product upon prior written notice and provided such visit does not adversely affect or interfere with such development. In addition, appropriate personnel of the Parties will meet at least weekly during the course of development to review the status of the development of the Custom Software or Paid Work Product.

8.4 Documentation

Documentation for Custom Software shall be provided in a machine-readable format unless another format is agreed to by Verizon. Documentation shall comply with commonly accepted industry standards with respect to content, size, legibility and reproducibility, and shall include without limitation the following, as applicable: (i) administration; (ii) features and technical specifications; (iii) detailed engineering and circuit design; (iv) installation and testing criteria; (v) operations, provisioning and translations; (vi) maintenance and diagnostics; and (vii) other documentation deemed necessary by the parties to support the installation, acceptance testing, administration, maintenance, engineering and operation of the Custom Software, and the full exercise of the ownership rights, if any, herein acquired by Verizon.

9. SECURITY

9.1 Supplier shall put in place and shall maintain physical and electronic measures and operational procedures to protect the security of each Platform, and Software in compliance with the security requirements as set forth in Exhibit C hereto as such may be supplemented or modified in the applicable Authorization Letter.

9.2 Verizon, at its sole cost, may conduct reasonable Security Audits of a Platform or Software and related facilities of Supplier used in connection with Supplier's performance of any Services (a "Security Audit"). Such Security Audit shall be performed by Verizon itself or on its behalf by a reputable security audit company selected by Verizon at mutually agreed upon times upon reasonable notice and subject to such company agreeing in writing with Verizon to the protection of any Supplier confidential information and provided that such Security Audit does not adversely impact Supplier or any services provided by Supplier to any other customer.

9.3 Each Party shall be entitled to receive a copy of any initial or final written report or recommendations resulting from any Security Audit and, unless Supplier disputes such recommendation on the grounds its implementation would not be in accordance with industry standards applicable to providers of service or software comparable to the Services and Software, Supplier shall promptly implement such recommendations.

10. ADDITIONAL REQUIREMENTS

10.1 Service Level Agreement

Supplier shall comply with all terms of the Service Level Agreement attached to the applicable Authorization Letter.

10.2 Disaster Recovery

10.2.1 Supplier's Disaster Recovery Plan is attached hereto as Exhibit D. Supplier shall exercise such plan on no less than an annual basis.

10.2.2 Supplier shall update the Disaster Recovery Plan as reasonably necessary during the Term to include a list of all hardware, software and communications facilities and services used by Supplier to provide the Hosting Service. Verizon shall have the right to reasonably audit Supplier's compliance at reasonable times as Verizon deems necessary provided such audit does not adversely impact Supplier or any services provided by Supplier to any other customer. Verizon's review of any changes to the Disaster Recovery Plan shall not in any way alter or waive any of Suppliers duties, obligations, representations or warranties under this Agreement.

10.3 Training

Upon request from Verizon, Supplier shall provide training outlined in the applicable Authorization Letter upon the terms set forth in such applicable Authorization Letter. Verizon shall have the right to duplicate or reproduce (including any markings as to confidentiality and copyrights), for internal usage only, any of the training materials at no additional cost.

10.4 Branding

Unless otherwise stated in the applicable Authorization Letter, nothing in this Agreement shall be construed to limit or restrict Verizon's rights to market and have marketed a Data Service or Software as Verizon determines, using Verizon own Trademarks or the Trademarks of one or more Indirect Channel Entities; provided Verizon does not remove any applicable copyrights.

10.5 International Roaming Access

All Software and Services are intended to be used to enable Verizon to provide the Data Service to Subscribers who are customers purchasing Verizon Services in the United States. However, Supplier acknowledges and agrees that Verizon may, in its sole discretion, enable Subscribers to access and use a Data Service using Wireless Devices while roaming outside the United States pursuant to international data roaming agreements that Verizon may enter into with other wireless carriers.

11. FEES/PAYMENT

11.1 Pricing

During the Term of this Agreement, Verizon shall pay Supplier for Service and/or Software in accordance with each applicable Authorization Letter. All payments are due in U.S. Dollars. All charges to Verizon for Services or Software are as set forth in each applicable Authorization Letter or, for modifications to a Service or Software, in a Change Request.

11.2 Improvements

Supplier and Verizon shall continue to identify areas for Supplier's continuous improvement in cost, quality and service over the term of the Agreement. Supplier shall afford Verizon the ability to realize the benefit of such improvements, including price reductions to the extent the Parties mutually agree in a Change Request. Furthermore, a list of continuous improvement initiatives shall be created by the Parties. Unless otherwise set forth in this Agreement, Supplier and Verizon will meet, upon Verizon's reasonable request, to assess opportunities to implement potential continuous improvement initiatives, such initiatives to be mutually agreed to by the parties in a Change Request.

11.3 Invoices

Unless otherwise specified in an Authorization Letter , Supplier shall render invoices following the date of initial Acceptance as set forth in Section 14; provided, however, where payment is not expressly contingent on Acceptance or where payment is on a per-subscriber basis, no Acceptance shall be required. Invoices for charges specified in an Authorization Letter shall be submitted by Supplier to the address specified in the Authorization Letter. Invoices shall include, as appropriate, without limitation (i) Authorization Letter number; (ii) description of Software and Services provided; (iii) ship-to name and address; (iv) delivery method (i.e., electronic or physical); (v) date of delivery (vi) quantity shipped and billed or quantity of service units performed and billed; (vii) maintenance service details; (viii) net unit cost; (ix) discounts applied; (x) net invoice amount; (xi) contract information for invoice disputes; and such other details as Verizon may reasonably request.

11.4 Payment Terms

Verizon shall remit payment to Supplier within forty-five days of Verizon's receipt of Supplier's undisputed invoice, unless otherwise set forth in the applicable Authorization Letter; provided, however, if Verizon disputes any charge shown on a Supplier invoice, Verizon shall notify Supplier in writing of such dispute, and shall pay when due, any undisputed amounts. Supplier will provide Verizon with notice of any nonpayment if any. Upon request, Verizon will provide reasonable support for such dispute.

11.5 Electronic Payments

At Verizon's option Supplier will do the following: Verizon may, at no additional cost to Verizon, require Supplier to accept purchase orders and submit invoices via Verizon's electronic payment system; provided that Supplier is not charged for the use or access of such system. Any terms or conditions associated with the use of the electronic payment system shall be negotiated directly between the Supplier and the electronic payment system provider. Transactions under this Agreement using the electronic payment system shall be governed by the terms and conditions of this Agreement.

11.6 Right of Set Off

Verizon shall be entitled to set off any amount Supplier owes Verizon against amounts payable under this or any other Agreement. Payment by Verizon shall not result in a waiver of any of its rights under this Agreement. Verizon shall not be obligated to pay Supplier for Services that are not fully and properly invoiced.

11.7 Charges to Subscribers.

Supplier acknowledges and agrees that the fees charged by Verizon to Subscribers for their use of the Data Service or Verizon Network needed to download the Software required for a Data Service, as well as the fees charged Subscribers for downloading the Software, will be determined by Verizon in its sole discretion. Supplier also acknowledges and agrees that Verizon alone will be responsible for billing Subscribers, as well as for all associated collection activity, for such fees.

12. RECORDS AND REPORTS

12.1 Supplier shall allow Verizon and its authorized agents and representatives to audit Supplier's records (in whatever form kept) to verify Supplier's compliance with all provisions of this Agreement provided such agents and representatives agree with Verizon to keep any such information confidential. At Verizon's request, the auditor shall have access to Supplier's records at reasonable times during the Term and during periods in which Supplier is required to maintain records with not less than ten (10) days prior written notice to Supplier and provided that the timing of such audit does not adversely affect Supplier or its personnel. Supplier shall maintain complete records of all charges payable by Verizon under the terms of this Agreement for the later of three (3) years after termination of the Agreement and any additional period of applicability of the Agreement to an Authorization Letter placed prior to termination. Such records shall specifically include, but are not limited to, timesheets. All such records shall be maintained in accordance with recognized accounting practices. The correctness of Supplier's billing shall be evaluated by such audits. Unless such results are reasonably disputed by Supplier in accordance with Section 39, prompt adjustments shall be made to compensate for any errors or omissions disclosed by such review or examination. If such review or examination determines that Verizon has made an overpayment in excess of seven and one-half percent (7.5%) of the amount properly due, then Supplier shall reimburse Verizon for the entire reasonable cost and expense of such review and examination. From time to time, Verizon may request Supplier to provide an Export Control Classification Number (ECCN) for products, software, reports, technology or technical data licensed, purchased or available for license or purchase under this Agreement to the extent applicable. Supplier agrees to promptly, and without additional cost to Verizon, comply with any such requests.

12.2 If Supplier is itself a Certified Minority, Woman, Service Disabled Veteran and Person with Disability Owned and Controlled Business Enterprises (MWDVBE), as defined herein, Supplier shall retain its MWDVBE certification through the term of this Agreement. If there is a change in Supplier's certification status, Supplier shall notify Verizon, in writing, within five (5) business days of the date of such change. If the Supplier is not itself a Certified Minority, Woman, Service Disabled Veteran and Person with Disability Owned and Controlled Business Enterprises (MWDVBE), then with respect to the Supplier's compliance (as the Primary Supplier) with Minority, Woman, Service Disabled Veteran and Person with Disability-Owned Business Enterprises (MWDVBE) Utilization, Supplier agrees to maintain a plan to provide opportunities for Certified MWDVBE suppliers and use commercially reasonable efforts, to the extent consistent with the terms, pricing and requirements of any SOW under this Agreement to meet the requirements set forth in Exhibit E, Compliance with Certified Minority, Woman, Service-Disabled Veteran and Person with Disability-Owned and Controlled Business Enterprises (MWDVBE) Utilization. For purposes of this Section, the definitions set forth in Exhibit E shall apply. For the avoidance of doubt, failure to meet the requirements set forth in Exhibit E shall not be deemed a breach of this Agreement, so long as commercially reasonable efforts were made.

13. **DELIVERY**

13.1 Supplier shall make Services and Software available to Verizon no later than the date mutually agreed to in the applicable Authorization Letter (the "Delivery Dates"); provided that if Supplier misses a Delivery Date due to the failure of Verizon or its agents, representatives or contractors to reasonably meet express dependencies contained in an applicable Authorization Letter, the parties will discuss whether such Delivery Date shall be extended accordingly; provided, however, in each case, Supplier shall have no liability for such delay in the event such Delivery Date is missed due to such Verizon failure. Notwithstanding such Delivery Dates, Verizon shall have the right to determine the Commercial Service Date for a Data Service in its sole discretion.

13.2 Packaging

Software (where delivery in other than electronic format is specified in an Authorization Letter) shall be packaged for shipment, at no additional charge, in commercially suitable containers, consistent with all applicable laws that provide protection against damage during the shipment, handling and storage of the Software as specified in an Authorization Letter.

13.3 Risk of Loss

Supplier shall bear the risk of loss of or damage to the Software until receipt of such Software specified in an Authorization Letter. Supplier shall promptly replace such Software when media on which it is shipped is lost or damaged at no additional charge.

14. TESTING, EVALUATION AND APPROVAL

14.1 Acceptance

14.1.1 All Software and Services shall be subject to inspection and Acceptance by Verizon after delivery of the Software and/or Services to determine conformity with this Agreement, the applicable Authorization Letter and Service Requirements, as applicable, and any applicable criteria for Acceptance. If delivery of Software will be made in a series of deliverables based on Milestones, then each such deliverable shall be inspected and Accepted individually, and the procedures, obligations and other terms of this Section shall apply to each deliverable. Inspection or failure to inspect on any occasion shall not affect Verizon's rights under the warranty provisions of this Agreement or any other rights or remedies available to Verizon. Verizon's right to inspect and test does not relieve Supplier from its testing, inspection and quality control obligations. Unless an alternative Acceptance mechanism or deemed Acceptance procedure is specified in an Authorization Letter and except as provided under Section 14.1.5, Statement of Work or elsewhere in this Agreement, Software and Services shall not be deemed Accepted unless such Acceptance is in writing.

14.1.2 Except as set forth in an Authorization Letter, Verizon shall have a period of thirty (30) days following delivery of the Software and/or Service within which to test the Software and/or Service for conformity with this Agreement, the applicable Authorization Letter and Verizon Service Requirements, as applicable, and any applicable criteria for Acceptance. If the Software and/or Service fails to so conform, Verizon may, provide written notice (email shall be acceptable for this purpose) to Supplier rejecting such Software and/or Service. Following such notification, Supplier shall use commercial reasonable efforts, within thirty (30) days, at Supplier's risk and expense, to correct all deficiencies by repairing or replacing any non-conforming Software. If, after the cure period, the Software and/or Service still fails to perform in accordance with the applicable criteria for Acceptance and Supplier is not able to correct such deficiency, it shall require that Verizon return the impacted Software and/or Service to Supplier at Supplier's expense.

14.1.3 If such Software and/or Service is rejected above, any one-time amounts paid to Supplier by Verizon specifically for the impacted Software release and/or Service milestone shall be refunded to Verizon within thirty (30) days after return of the impacted Software and/or Service; provided, however, in no event shall this provision apply to a refund of any transaction fees related to the Platform. The purchase price for such Software and/or Service also shall be credited against any future volume commitments or applied for evaluation of attainment of volume discounts under this Agreement applicable to such Software and/or Service.

14.1.4 Verizon has the right to subject the initial release of the Software and/or Service, and each subsequent Software release containing new functionality or enhancements intended for commercial production, to an operational soak period as part of the Acceptance testing. Soak period means using the Software and/or Service in a productive operation mode for thirty (30) days. If the Software and/or Service does not perform according to the Service Requirements during the soak period, Supplier, at no additional charge, shall provide technical support personnel, to perform tuning services in order to meet the Service Requirements. If such tuning efforts are unsuccessful (i.e., the Software or Service will not perform to Service Requirements) after a reasonable period of time, in addition to its other remedies at law, equity or under this Agreement, (i) Verizon may return the Software release which was subjected to the soak period, and Supplier shall refund all monies paid for the applicable Software or Service release that was subjected to the soak period (provided, however, in no event shall this provision apply to a refund of any transaction fees related to the Platform) or (ii) Verizon, retaining all rights and remedies including those under (i), may extend the soak period and tuning-related services until such time as Verizon agrees is required for the Software and/or Service, as the case may be, to meet the Service Requirements.

14.1.5 If the Software and/or Service successfully passes Acceptance testing (including the operational soak period) Verizon shall timely issue its written notice that the Software and/or Service has successfully completed such test procedures and Acceptance; provided, however if no notice is provided by Verizon within the applicable period, such Software and/or Service shall be deemed accepted.

14.2 Nonconformance After Commercial Service Date

After Commercial Service Date and Acceptance, if a Service or Software does not conform to the Service Requirements, Verizon shall be entitled to the remedies set forth in the applicable Service Level Agreement.

15. REPRESENTATIONS AND WARRANTIES

Supplier represents and warrants that:

15.1 In performing Services and providing Software, Supplier will comply with the descriptions and representations which appear herein and in the applicable Service Requirements which shall include, with respect to any Apps, the App Store Developer Agreement applicable with respect to such App. Without limiting the preceding sentence, or the applicable Service Level Agreement, Supplier agrees to disclose and report all Unscheduled Outages, as defined in the applicable Service Level Agreement, in accordance with such Service Level Agreement and acknowledges that its failure to do so may degrade service that Verizon may be obligated to provide Subscribers, may cause adverse publicity regarding the Verizon Service, or jeopardize the security of the Verizon Network.

15.2 Its employees will perform Services in accordance with all applicable laws, codes, ordinances, orders, rules and regulations of local, state, and federal governments and agencies and instrumentalities, including, but not limited to, applicable wage and hour, economic and trade sanctions, bribery of foreign officials, safety and environmental laws, and all applicable standards and regulations of appropriate regulatory commissions and similar agencies.

15.3 All Services and Software furnished by Supplier shall be performed and provided (i) in a diligent, efficient and skillful manner, and (ii) in accordance with industry standards in the field.

15.4 All Software and Custom Software furnished by Supplier shall be free of Errors for a period of ninety (90) days (or such greater period referenced in an Authorization Letter) following Acceptance of such Software or Custom Software. If within ninety (90) days (or such aforementioned greater period) from the Acceptance of Software and/or Custom Software any Error exists or arises, then, in each such case, upon receipt of written notice of such Error from Verizon, Supplier will use commercial reasonable efforts to repair or remedy such Error at Supplier's sole cost and expense

15.5 Supplier, including its employees, agents and contractors, has obtained and will maintain for the Term of this Agreement, any Permits (as such term is defined in Section 30) reasonably necessary for the performance of Services.

15.6 Supplier owns the Software and Background Materials (other than third party components of the Software) and has the right to license the same to Verizon under the terms of this Agreement. As to Software and Background Materials to which Supplier does not have title, Supplier represents and warrants that it has rights in the Software and Background Materials sufficient to permit the license of the Software to Verizon and that Software has full right, power and authority to license the Software and Background Materials and other rights granted hereunder to Verizon.

15.7 Services and Software provided or performed by Supplier under this Agreement do not and will not give rise to or result in any infringement or misappropriation of any third party patent, copyright, trade secret, or any violation of any other intellectual property right of any third party.

15.8 Forward and Backward Compatibility

Except as set forth in an Authorization Letter, Supplier represents and warrants that, for a period of four (4) years following the commercial release of any new supported Wireless Device (such timeframe with respect to each release, the "Rolling Window"), new versions of Software other than Custom Software with respect to which Verizon has waived in writing Supplier's obligations under this Section 15.8 (Verizon acknowledges that execution of an SOW that expressly excludes support for Custom Software shall be deemed such waiver and Custom Software may require additional fees to maintain compatibility as provided in an applicable Authorization Letter), shall be forward and backward compatible, contain materially similar functionality to and be substantially compatible with such Wireless Device and their operating environment(s). If set forth in an Authorization Letter, new versions of Software, that do not otherwise compromise or break the functionality of the Software on Wireless Devices released prior to the Rolling Window, are not required to incorporate all new incremental feature enhancements contained in such new Software release. The Rolling Window shall apply to any Wireless Device commercially released after April 1, 2009 and supported by the Platform. In the event Supplier deploys a server side Software change that causes Supplier to breach the above warranty in this Section 15.8 with respect to Wireless Device client Software, Supplier shall upgrade the Software used on the affected Wireless Device at no additional fee, provided Verizon is current on its Maintenance payments.

15.9 No Viruses

15.9.1 Supplier represents and warrants to Verizon that Software does not contain or will not contain any Self-Help Code or any Unauthorized Code. Supplier shall remove promptly any such Self-Help Code or Unauthorized Code in the Software of which it is notified or may discover.

15.9.2 Supplier also represents and warrants that there are no copy protections or similar mechanisms within the Software, which will, either now or in the future, interfere with the grants made in this Agreement. Furthermore, Supplier represents and warrants that unless otherwise noted in the applicable Documentation or (a) requested in writing by Verizon and Verizon approves Supplier's response, or (b) Supplier advises Verizon in writing that it is necessary to perform valid duties under this Agreement and authorized in writing by Verizon, Software shall not: (i) contain hidden malicious files; (ii) replicate, transmit or activate itself without control of an authorized person operating computer equipment on which it resides; (iii) alter, damage or erase any data or computer programs without control of an authorized person operating the computer equipment on which it resides; and (iv) contain no encrypted imbedded key, node lock, time out or other function, whether implemented by electronic, mechanical or other means, which restricts or may restrict Use or access to any programs or data developed under this Agreement, based on residency on a specific hardware configuration, frequency or duration of Use, or other limiting criteria (collectively "Illicit Code"). Should any Software be found by Verizon or Supplier to contain Illicit Code, Supplier shall immediately commence the removal, at Supplier's sole cost, of such Illicit Code. Notwithstanding anything elsewhere in this Agreement to the contrary, In the event that Verizon or any Subscriber has been damaged in any material respect by the access or use of such Illicit Code, or if Supplier activates such Illicit Code at any time, Supplier shall be in default of this Agreement, and no cure period shall apply. It is agreed that a breach of the above representation and warranty may cause irreparable harm and injury and Verizon shall be entitled, in addition to any other rights and remedies it may have at law or in equity, to seek an injunction enjoining and restraining Supplier from doing or continuing to do any such act and any other violations or threatened violations of the Agreement. In addition to any other remedies available to it under this Agreement, Verizon reserves the right to pursue any civil and/or criminal penalties available to it against the Supplier.

15.10 Offshore Restrictions

15.10.1 Except with Verizon's advance written consent, in no event shall Confidential Information regarding or pertaining to Verizon's systems, infrastructure, employees, or customers be stored, transmitted, or accessed at, in, through or from a site located outside the United States nor made available to any person who is located outside the United States unless such Confidential Information relates solely, directly and independently (i) to Verizon employees or customers located outside of the United States, or (ii) to voice or data communications of Verizon or its customers that originate and terminate outside the United States, or (iii) to Verizon systems and/or infrastructure dedicated to the provision of Verizon's voice or data services outside the United States or, (iv) to be otherwise necessary for storage or access outside the United States in connection with security, back-up, disaster recovery, or related purposes as required by Verizon services specifications, security and/or technical requirements. This subsection shall not apply to Verizon Wireless Customer Data which shall be solely governed by the provisions of Subsection 15.10.3.

15.10.2 Exceptions to 15.10.1 above will be granted, in Verizon's sole discretion, (i) in writing; (ii) on a project-specific or statement-of-work-specific basis; (iii) following a review of the particular project or statement of work in accordance with the policies of the relevant Verizon business unit governing the placement of work with resources located outside the United States; (iv) subject to any conditions imposed by Verizon on the access to systems or data by such resources as a result of such review; and (v) in advance of the commencement of any work by such resources on the relevant project or statement of work.

15.10.3 Notwithstanding subsection 15.10.1and 15.10.2 above, unless Supplier secures Verizon Wireless' further, prior written consent, in no event (i) shall Supplier provide, direct, control, supervise, or manage any voice or data communication of Verizon Wireless customers that occurs between United States locations (or the United States portion of any international communication that may originate or terminate within the United States) from a location outside of the United States, nor (ii) shall Verizon Wireless Customer Data be stored, transmitted, or accessed by Supplier, from, at, in, or through a site located outside the United Stated without Verizon Wireless' prior written consent. "Verizon Wireless Customer Data" shall include (a) any subscriber information, including, without limitation, name, address, telephone phone number or other personal information of the Verizon Wireless subscriber; (b) any call-associated data, including without limitation, the telephone number, internet address or other similar identifying designator associated with a communication; (c) any billing records; (d) the time, date, size, duration of a communication or physical location of equipment used in connection with a communication; or (e) the content of any Verizon Wireless customer communication. This section is not intended to limit Subscriber's access to Data Services from outside of the United States as permitted pursuant to Section 10.5, and Supplier shall not be in breach of this Section due to such permitted international roaming by Subscribers.

15.10.4 Nothing in this Section is intended to nor shall it operate in derogation of any requirement imposed on Verizon by a governmental body or agency outside the United States.

15.11 Supplier shall remove from the project, at Verizon's request, any person furnished by Supplier who, in Verizon's reasonable opinion, is incapable, uncooperative or otherwise unacceptable in the execution of the services to be provided under this Agreement; provided compliance with such request does not violate any law or regulation.

15.12 Warranty Disclaimer.

EXCEPT FOR THOSE WARRANTIES EXPRESSLY STATED IN THE AGREEMENT OR APPLICABLE AUTHORIZATION LETTER, SUPPLIER HEREBY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THE PLATFORM, SOFTWARE AND SERVICES INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF TITLE, NON-INFRINGEMENT, QUIET ENJOYMENT, ACCURACY, INTEGRATION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AND ALL WARRANTIES ARISING FROM ANY COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE.

16. **ESCROW**

16.1 Maintenance of Escrow Agreement.

Promptly after the Effective Date, Supplier shall enter into an Escrow Agreement with an escrow agent approved by Verizon in writing (the "Escrow Agent") to secure Verizon's rights hereunder and to be effective as of the Effective Date (the "Escrow Agreement"), such Escrow Agreement to be approved by Verizon. The Escrow Agreement shall be an agreement separate from, but supplemental to, this Agreement. Such Escrow Agreement shall be established and maintained for the benefit of Verizon and its Affiliates, and should such Escrow Agreement terminate or otherwise expire during the Term, the Parties shall immediately enter into a new Escrow Agreement with an independent escrow agent mutually satisfactory to Supplier and Verizon in accordance with the provisions of this Section 16.

16.2 Escrow Deposits.

Upon execution of the Escrow Agreement, Supplier shall deposit copies of the then-current Escrow Materials to the escrow service provider, subject to the terms and conditions of the Escrow Agreement, which deposit shall be promptly and routinely supplemented by Supplier and otherwise kept current so as to accurately reflect the Source Code for the then current version of the Software under license to Verizon (including Releases or Updates provided to Verizon hereunder as well as any other material upgrade or modification of or enhancement thereto), and the same shall be part of the Escrow Materials. Supplier shall designate a mutually acceptable neutral third party who, at the expense and request of Verizon made from time to time, shall audit the materials deposited with the escrow agent for purposes of determining whether Supplier has fulfilled its deposit obligations. Supplier will promptly correct any deficiency disclosed by the audit.

16.3 Release Conditions.

Release of the Escrow Materials to Verizon shall be granted on the terms and conditions (including for notice and redeposit)

set forth in the Escrow Agreement and as otherwise set forth herein, but in any event whenever:

16.3.1 Supplier indicates to Verizon that it is reasonably likely to materially breach this Agreement with respect to the continued provision of Maintenance Services or other maintenance and/or support expressly required by this Agreement and the same is not remedied within thirty (30) calendar days after written notice from Verizon;

16.3.2 Supplier applies for or consents to the appointment of or the taking of possession by a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property; makes a general assignment for the benefit of creditors; commences a voluntary case under the Federal Bankruptcy Code or fails to contest in a timely or appropriate manner or acquiesces in writing to any petition filed against it in an involuntary case under such Bankruptcy Code or any application filed against it for the appointment of a receiver, custodian or trustee or for the reorganization, dissolution or liquidation of itself or all or a substantial part of its property.

16.4 License.

Unless other release license rights are specified in an applicable Authorization Letter, in the event of a release of the Escrow Materials to Verizon pursuant to the Escrow Agreement, Supplier shall be deemed to have granted to Verizon a non-transferable, non-exclusive, perpetual, irrevocable, enterprise wide, worldwide license and right to Use and modify the released Software and Source Materials and to create derivative works thereof under the terms and conditions of this Agreement solely to continue to support the Software consistent with the Maintenance and Support provided under this Agreement, subject to Verizon's payment of the applicable fees set forth below. The Parties agree that any use by Verizon of any Escrow Materials pursuant to this Agreement and/or any Escrow Agreement will be subject to (a) payment by Verizon of any License Fees set forth in an Authorization Letter less the component of such fees attributable to maintenance and support equal to fifteen percent (15%) of such License Fees plus an amount attributable to added requirements of Verizon equal to twenty (20%) of such License Fees (collectively a reduction of 35% of such License Fees) and (b) all of the terms, restrictions and conditions of the Agreement, as amended and the following conditions and obligations: Verizon will (i) treat the source code (and those Escrow Materials that would otherwise be Confidential Information) as Confidential Information; (ii) use password protection to limit access to source code to authorized employees, agents and contractors of Verizon who require access to perform their duties under this Agreement, as amended; and (iii) make no copies of the source code in machine-readable or human-readable form except as reasonably required to perform the activities permitted under this Agreement. Upon such Release Condition, Supplier shall have no further obligation for maintenance and support of such Software or providing Hosting Services. Notwithstanding the foregoing, the fees set forth in (a) above for use of the Escrow Materials shall not apply in the event of a termination of this Agreement by Verizon due to a material breach by Supplier. Should Verizon's Use of the Source Materials involve Use or copying of copyrighted material or the practice of any invention covered by a patent, Supplier shall not assert such copyright, patent or other right in intellectual property against Verizon.

16.5 Bankruptcy.

The obligations of Supplier under this Section 16 (Source Code Escrow) shall extend to any trustee in bankruptcy, receiver, administrator or liquidator appointed for Supplier, to Supplier as debtor-in-possession (collectively, the "Trustee") and to any other successor in interest to Supplier. Without limiting the generality of the foregoing, upon written request of Verizon, Supplier shall not interfere with the rights of Verizon as provided in this Agreement or the Escrow Agreement to obtain the Escrow Materials from the Trustee, the escrowee or any other person or entity having possession thereof, and shall, if requested under the conditions specified in the Escrow Agreement for release of the Escrow Materials, cause a copy of such Escrow Materials to be made available to Verizon. Notwithstanding anything in this Agreement to the contrary, Verizon reserves all rights available to it under Section 365(n) of the Federal Bankruptcy Code, 11 U.S.C. § 365(n) or any equivalent or successor provision thereto and such rights as may be available under other applicable laws.

16.6 Dispute Resolution.

Supplier may dispute in good faith the existence of the release conditions described in Section 16.3 and such disputes will be subject to final and binding arbitration by a three-arbitrator panel wherein each party shall select an arbitrator, and those two arbitrators shall jointly select a third, and the panel's written decision must be provided within thirty (30) days of the date such arbitration claim is submitted. The panel will be required to furnish, promptly upon conclusion of the arbitration, a written decision, setting out the reasons for the decision. The arbitration decision will be final and binding on the Parties, and the decision may be enforced by either Party in any court of competent jurisdiction. The arbitration will be conducted in New York, NY under the then current Commercial Dispute Resolution procedures of the American Arbitration Association ("AAA"). Each Party will bear its own expenses and an equal share of the expenses of the third arbitrator and the fees, if any, of the AAA, unless the arbitrator rules otherwise as detailed above. The effectiveness of the license described in Section 16.4 (and any release of the Escrow Materials) shall be delayed until such disputes are resolved in Verizon's favor by the arbitrator/panel.

16.7 Survival.

The obligations set forth in this Section shall survive and remain in effect until the later of (i) all obligations of Supplier to provide maintenance and support for the Software to Verizon, including to provide Maintenance Services, whether pursuant to this Agreement or after the expiration or termination of this Agreement, or (ii) termination or expiration of any separate agreement between the Parties with respect to maintenance and support for the Software.

16.8 Definitions.

For purposes of this Section 16:

17.6.1 "Escrow Agreement" means an agreement executed by Supplier and Verizon which is separate from, but supplemental to, this Agreement and which sets forth the terms and conditions governing release of the Escrow Materials to Verizon.

16.8.2 "Escrow Materials" means the then-current Source Code for the Software,, all tools and other software required to translate or convert the deposited Source Code to executable code (e.g. software compilers, linkers, assemblers, translators and interpreters) that are not readily available to Verizon commercially off- the-shelf, and any Custom Software obtained through this Agreement.

17. **TERMINATION**

17.1 Supplier shall be in default if Supplier fails to perform any of its material obligations under this Agreement , and such failure to perform shall continue for a period of thirty (30) days after Supplier's receipt of Verizon's written notice thereof, then, in addition to all other rights and remedies under this Agreement at law or in equity or otherwise, Verizon shall have the right, upon written notice, to immediately cancel any or all affected Orders or, at Verizon's option, to terminate this Agreement, without any obligation or liability to Supplier for said termination or cancellation.

17.2 This Agreement may additionally be terminated, by written notice only, as follows:

17.2.1 Unless otherwise expressly provided in such Authorization Letter, Verizon may terminate any or all Authorization Letters issued hereunder without cause, effective upon ninety (90) days notice, upon written notice to Supplier and, in such event, Supplier shall receive payment only in accordance with Section 17.4 hereof.

17.2.2 Supplier may terminate any affected Authorization Letter if Verizon fails to make timely payments of those portions of invoices that are not disputed in good faith as required hereunder, and any such failure is not remedied within thirty (30) calendar days after receipt of written notice by Supplier stating its intention to terminate such Authorization Letter.

17.2.3 By either party, effective immediately, upon written notice to the other party, if any of the following events occurs:

17.2.3.1 The other party files a voluntary petition in bankruptcy.

17.2.3.2 The other party is adjudged bankrupt.

17.2.3.3 A court assumes jurisdiction of the assets of the other party under a federal reorganization act.

17.2.3.4 A trustee or receiver is appointed by a court for all or a substantial portion of the assets of the other party.

17.2.3.5 The other party becomes insolvent or suspends its business.

17.2.3.6 The other party makes an assignment of its assets for the benefit of its creditors except as required in the ordinary course of business.

17.3 Upon termination of this Agreement, Supplier shall deliver to Verizon, and Verizon shall own, all Custom Software and Paid Work Product created by Supplier (subject to any Background Materials of Supplier incorporated therein) at and prior to the time of such termination to the extent owned by Verizon under this Agreement or any Authorization Letter and paid for by Verizon, including source code and Documentation, whether or not completed. Supplier also shall deliver to Verizon all Background Materials incorporated in such Custom Software or Paid Work Product not then in the possession of Verizon; but in no event shall Verizon's rights to any Background Materials be deemed to permit Verizon to access the Platform operated by Supplier after such termination (subject to Section 17.6). Supplier shall, except as required by law or this Agreement, also return to Verizon all Verizon Confidential Information and Verizon will return to Supplier all Supplier Confidential Information.

17.4 Effect of Termination. Upon termination of this Agreement by Verizon for convenience, Supplier shall immediately curtail all activities hereunder upon the effective date set forth in the notice of such termination. Upon such termination, Verizon's sole liability to Supplier will be the payment of (i) all amounts due for Services satisfactorily performed up to the effective date of termination, (ii) any termination fees or other charges set forth in an Authorization Letter and (iii) respecting Development Services, all amounts due Supplier for Software Milestones or work Accepted before the date of termination, plus payment for the next uncompleted Milestone on a time and materials basis based on number of hours worked (no hours prior to the execution of such Authorization Letter shall be included) multiplied by $150 per hour, capped at 75% of the payment due for such Milestone under the applicable Authorization Letter; provided, however, in the event an Authorization Letter includes termination fees or charges, such stated termination fees or charges shall be in lieu of any other partial payments . Except as set forth above, in no event will Verizon be liable to Supplier either for compensation or for damages of any kind or character whatsoever, whether on account of the loss by Supplier of present or prospective profits on sales or anticipated sales, or expenditures, investments or commitments, made in connection with the establishment, development or maintenance of Supplier's business, or on account of any other cause or thing whatsoever

17.5 Effect on Licenses. In no event shall termination of this Agreement (other than by Supplier pursuant to Section 17.2.2) impair Verizon's right, title and interest to Custom Software or Paid Work Product acquired and paid for by Verizon, or other Supplier materials (including Background Materials or Supplier-retained Work Product) that are licensed on a perpetual, irrevocable or post-termination basis hereunder. The irrevocable nature of paid-for such licenses shall not preclude Supplier from seeking injunctive relief to prevent the reoccurrence or continuing of a breach of this Agreement by Verizon but such injunction may not restrict or limit Verizon's use of the Custom Software or Paid Work Product within the scope of the license granted herein provided Verizon has fully paid for such Custom Software or Paid Work Product.

17.6 Upon expiration and/or termination of this Agreement or any Authorization Letter for any reason (except for termination by Supplier resulting from breach by Verizon under Section 17.2.2, in which case Supplier may demand prepayment for such services and any other amounts due hereunder), and at the request of Verizon, Supplier shall (a) for a period not to exceed one hundred eighty (180) days after the date of termination (the "Transition Period"), continue to provide Services and Software to enable Verizon to utilize its Data Service (subject to the continued payment of undisputed payments by Verizon pursuant to the terms of this Agreement or as otherwise agreed by the parties) and (b) use reasonable efforts to assist Verizon to ensure a seamless migration without interruption to Subscribers (collectively, the "Transition Services") on mutually agreed pricing and other terms but in no event shall Supplier be required under this subsection (b) to license its Platform to Verizon or such third party as part of the Transition Services. Without limiting the foregoing obligations, to the extent that any services are required, in addition to and beyond the scope of the Transition Services, to effect such transition to Verizon or another application service provider, the parties will mutually agree upon further terms (including fees) regarding the scope and schedule of such additional services. If Verizon does not request Transition Services, Supplier will cease providing the Service(s) at the time termination becomes effective.

17.7 The foregoing rights are in addition to, and not in limitation of, any other remedy a party may have at law or equity.

18. **INFRINGEMENT**

18.1 Supplier shall indemnify, defend and hold harmless Verizon, its parents, subsidiaries and Affiliates, its OEMs (subject to the limitations in Section 18.5) and its and their respective directors, officers, employees, agents, successors and assigns ("IP Indemnified Parties") from and against any claims, demands, lawsuits, liabilities, loss, cost or expenses (including, but not limited to, reasonable fees and disbursements of counsel and court costs), judgments, settlements and penalties of every kind ("IP Claims") arising from or relating to any actual or alleged infringement or misappropriation of any patent, trademark, copyright, trade secret or any actual or alleged violation of any other intellectual property or proprietary rights arising from or in connection with the Services (including related products furnished hereunder by Supplier) or Software provided under this Agreement. Notwithstanding anything to the contrary contained in this Agreement (including, but not limited to, Section 1), the provisions of this Section 8, shall govern the rights of Indemnified Parties with respect to indemnification for IP Claims.

18.2 The procedures, limitations and restrictions set forth in Section 31 (Indemnification) shall apply in the case of IP Claims hereunder.

18.3 Without limitation of Sections 18.1 and 18.2, if sale, use or if applicable, distribution, of the products or Services becomes subject to an IP Claim, Supplier shall, at Supplier's option and Supplier's expense:

18.3.1 Procure for Verizon the right to use the Services or Software (including related products furnished hereunder);

18.3.2 If 18.3.1 is not possible modify the Services or Software (including related products furnished hereunder) so they become non-infringing;

18.3.3 If neither 18.3.1 or 18.3.2 is possible replace the Services or Software (including related products furnished hereunder) with substantially equivalent, non-infringing products and/or Services; or

18.3.4 If none of the above, are commercially feasible (for the purposes of this Section 18.3.4, the cost of the remedy shall be deemed "commercially feasible" if the costs of implementation thereof are less than the amount paid by Verizon to Supplier hereunder during the prior twelve months prior to such date for such impacted Service or Software), Supplier shall terminate the Services or Software (including related products furnished hereunder) and refund the purchase price paid therefor.

18.4 Exclusions. The obligations under Section 18.1 shall not apply with respect to any claim based upon (i) any use of the Software or Services not in accordance with this Agreement or the applicable Application Letter, if such infringement results solely from such use not in accordance with this Agreement or the applicable Application Letter, (ii) use of any Software or Services in an application or environment or on a platform or with devices for which it was not designed or contemplated in a Specification or Authorization Letter or otherwise authorized by Supplier, (iii) alterations, modifications or enhancements of the Software not created by or on behalf of Supplier where the unmodified Software would have avoided the claim; (v) combination of Software with software or other materials not provided or specified by or through Supplier, where the combination itself causes the infringement; (v); that portion of any Software which implements an IP Indemnified Party's (including an OEM's) requirements where there was no non-infringing way to implement such requirement or (iv) IP Indemnified Party's continuing allegedly infringing activity after a reasonable period (which shall in no event be less than 180 days with respect to claims regarding Apps, and 120 days for all other claims) after being provided without charge Software modifications (without degradation of function or performance) that would have avoided the alleged infringement.

18.5 The indemnification obligations directly in favor of OEMs shall only apply where the Supplier's technology has been pre-loaded on to such OEM's device by mutual agreement. Further, for the avoidance of doubt, Supplier acknowledges and agrees that each OEM is an intended third party beneficiary of the indemnification obligations hereunder and, provided such OEM (as a precondition) makes no voluntary admission in respect of any IP Claim, grants to Supplier the exclusive right to defend and settle any IP Claim and affords such assistance to Supplier (at Supplier's cost) in the defense and settlement of such IP Claim as Supplier may reasonably require, then OEM shall be entitled to enforce this indemnity directly against Supplier.

19. **CONFIDENTIAL INFORMATION**

The non-disclosure provisions set forth as Exhibit F shall apply to this Agreement.

20. **OWNERSHIP**

20.1 Retention of Title by Verizon

20.1.1 Title to all materials and property Verizon provides to Supplier in connection with this Agreement shall remain in Verizon or, if applicable, its licensors or lessors. Without limitation of the foregoing, all Verizon Content, all Subscriber Data, all Usage Data, all Web Site style and design guides provided by Verizon, all Verizon Trademarks, and any alterations and/or modifications to the foregoing shall be and remain the proprietary information of Verizon, or, as the case may be, its Content Providers, its Subscribers or other third parties having rights therein.

20.1.2 Any materials or property Verizon provides Supplier, and any materials or property of Verizon or its Subscribers or Indirect Channel Entities that otherwise comes into Supplier's possession or control in connection with a Data Service under this Agreement shall be used only in the performance of this Agreement, unless otherwise authorized in writing by Verizon. Supplier shall adequately protect all such material and property, and shall deliver or return it to Verizon or otherwise dispose of such individual and property as directed by Verizon. Supplier shall be responsible for any loss of or damage to tangible materials or tangible property owned by Verizon, or its licensors or lessors while in Supplier's possession or control.

20.2 Ownership Rights

20.2.1 The Platform and Background Materials (and any corrections, enhancements or modifications thereto but excluding Custom Software or Paid Work Product) shall be owned by Supplier.

20.2.2 For the purposes of this Agreement, "Work Product" shall mean all designs, models, prototypes, drawings, data storage media, listings, deliverables, technical data, inventions, improvements, discoveries, computer software (including firmware), and other forms of technology or intellectual property made, conceived, developed or actually or constructively reduced to practice by Supplier in connection with or pursuant to the terms and conditions of this Agreement, whether solely or jointly with others, and which are associated with, refer to, are suggested by, or result from any services which Supplier may perform pursuant to this Agreement, or from any information obtained by Supplier from Verizon or in discussions and meetings with employees of Verizon or any of its Affiliates including any reports to be prepared by Supplier for Verizon under this Agreement. For the avoidance of doubt, Work Product shall not include the Platform, Background Materials or any Documentation associated with the foregoing.

20.2.3 Rights in Work Product:

20.2.3.1 Subject to the last sentence of Section 20.2.2, Supplier hereby agrees that (i) Custom Software, and (ii) other creative works that VZ specifically pays for and is identified in an Authorization Letter as a Paid Work Product ("Paid Work Product"), are works made for hire exclusively for Verizon under the patent or copyright laws of the United States and shall become and remain the exclusive property of Verizon, and Verizon shall have the rights to use such for any purpose without any additional compensation to Supplier. In the event any Custom Software or Paid Work Product produced under this Agreement shall not be deemed to be a work made for hire exclusively for Verizon under the patent or copyright laws of the United States, Supplier hereby grants and assigns to Verizon all right, title and interest in and to (including the right to reproduce, modify, display, produce derivative works of, translate, publish, sell, use, dispose of, and to authorize others so to do, and the right to patent or copyright and to register such patent or copyright in Verizon's or its nominee's name) all Custom Software or Paid Work Product, subject to Section 20.2.1. Supplier further agrees to assist Verizon in every proper way to protect Custom Software or Paid Work Product, including, but not limited to, signing patent and copyright applications, oaths or declarations, and assignments in favor of Verizon relating to the Custom Software or Paid Work Product, as well as such ancillary and confirmatory documents as may be required or appropriate to insure that such title is clearly and exclusively vested in Verizon, within the United States and in any and all foreign countries. Supplier further agrees to assist and cooperate with all efforts to enforce the rights of Verizon in such property against any third parties.

20.2.3.2 (a) Ownership of all Work Product that is not Custom Software or Paid Work Product shall be retained by Supplier ("Supplier-retained Work Product"). With respect to such Supplier-retained Work Product, Supplier grants to Verizon a nonexclusive, perpetual, fully paid up, royalty free, worldwide, irrevocable license under such Supplier-retained Work Product to make/have made, use, sell, have sold and otherwise provide Verizon products (through one or more intermediaries) to Verizon's end-user customers. For the avoidance of doubt, the foregoing license rights to Supplier-retained Work Product shall not apply or extend to Verizon a license to Background Materials or to the Platform.

(b) With respect to Custom Software or Paid Work Product consisting of/including improvements or enhancements to Supplier's Background Materials ("Verizon-Owned Improvements to Background Materials"), such Verizon-Owned Improvements to Background Materials must be expressly identified as such in the applicable Authorization Letter in accordance with Section 20.2.6.

20.2.4 Supplier grants to Verizon a royalty-free, nonexclusive, transferable, sublicensable, and irrevocable license during the Term to any and all Background Materials which are incorporated in any Custom Software, Paid Work Product or other materials licensed to Verizon hereunder (provided, with respect to such other licensed materials, such license to incorporated Background Materials shall be coterminous with the license to such other licensed materials) under this Agreement to Verizon by Supplier, provided that such license shall only be to the extent that Supplier has, or prior to completion of final settlement of this Agreement, may acquire, the right to grant such license without becoming liable to pay compensation to others solely because of such grant. For the avoidance of doubt, but without limitation of the foregoing, Supplier retains ownership of all right, title and interest in and to, including any and all Intellectual Property Rights it may have, in Background Materials.

20.2.5 Supplier warrants and represents that it has or will have the right, through written agreements with all employees performing Services under or in connection with this Agreement, to secure for Verizon the rights called for in this Section. Further, in the event Supplier uses any subcontractor, consultant or other third party to perform any of the Services contracted for by this Agreement, Supplier agrees to enter into such written agreements with such third party, and to take such other steps as are or may be reasonably required to secure for Verizon the rights called for in this Section.

20.2.6 Identification Requirements. The parties shall identify Custom Software and Paid Work Product in each applicable Authorization Letter, which shall contain the following provisions to state the Parties' intent as to the use of such Work Product:

"OWNERSHIP OF WORK PRODUCT:

For Custom Software, Paid Work Product or Verizon-Owned Improvements to Background Materials of Supplier:

[LIST/DESCRIBE, IF ANY]

CHOOSE 1:

(a) Exclusive to Verizon.

(b) Non-Exclusive. Verizon grants to Supplier a nonexclusive, perpetual, fully paid up, royalty free, worldwide, irrevocable license under such Improvements to Background Materials to make/have made, use, sell, have sold and otherwise provide Supplier products (through one or more intermediaries) to Supplier customers.

21. SUBSCRIBER DATA AND CONTENT

21.1 Subscriber Privacy

Supplier shall (i) protect the privacy of Subscribers to the full extent legally required, (ii) promptly implement and comply with all policies and practices adopted by Verizon concerning the collection, storage, or use of Subscriber Data to the extent such policies have been provided in writing to Supplier and (iii) treat Subscriber Data as "Confidential Information" in accordance with Section 20 of this Agreement. As between the Parties, Verizon shall have the sole right to adopt and communicate to Subscribers statements about and descriptions of such policies and practices or any breach thereof.

21.2 Ownership of Data

As between Supplier and Verizon, Verizon owns all right, title, and interest, including copyright and other proprietary rights, in CPNI, Subscriber Data and Usage Data, whether collected by Verizon or Supplier.

21.3 Use of Data

In the event Services hereunder require Supplier access to and/or use of any CPNI, Subscriber Data or Usage Data, such shall be used only in the performance of Services hereunder and only to the extent necessary to provide such Services. Supplier shall have no right to record, monitor, reproduce, disclose, sub-license, re-sell or otherwise distribute all or any portion of CPNI, Subscriber Data or Usage Data to any person in any form or any manner other than as necessary or appropriate in providing Services hereunder.

21.4 Use of Content

Except to the extent required to meet the Service Requirements, Supplier will not record, monitor or disclose any Subscriber's use of any Content unless instructed to do so in writing by Verizon, or as required by law, regulation, or court order or as necessary to cooperate with a lawful order or demand of law enforcement officials.

21.5 Certain Confidential Information

For greater certainty, and without limiting the terms of Exhibit F, all CPNI, Subscriber Data and Usage Data shall be Confidential Information of Verizon under the terms of Exhibit F.

21.6 Return or Destruction

Upon the expiration or earlier termination of this Agreement Supplier shall deliver to Verizon all copies of Content, CPNI, Subscriber Data and Usage Data in the possession or control of Supplier and deliver a certificate of an officer certifying that Supplier has retained no copies thereof other than copies required to be retained under applicable law. Alternatively, Verizon shall have the right to instruct Supplier to delete and destroy, in a nonrecoverable manner, all copies of such information,

and to witness and supervise such deletion and destruction, directly or using appropriately qualified agents designated by Verizon. Notwithstanding anything to the contrary in this Agreement or Exhibit F, for so long as any CPNI, Subscriber Data and Usage Data remains in the possession or control of Supplier, it shall be deemed "customer information" of Verizon for purposes of Section 2 of Exhibit F.

21.7 No Advertising

Except as otherwise provided in an Authorization Letter, Supplier shall not place or display, allow third parties to place or display, or otherwise enable or allow transmission to Subscribers via Platform of any advertisements, announcements, or other messages without the prior written consent of Verizon.

21.8 Unsolicited Commercial Messages

Supplier shall use commercially reasonable efforts to ensure that no unauthorized third parties are able to gain access to and/or utilize a Platform to generate and send content of any kind, including, but not limited to, unsolicited commercial messages. For purposes of this Section, "commercially reasonable efforts" include, by way of example and not limitation, the prompt removal by Supplier of any content it learns violates this Section, with written notice to Verizon of such removal(s).

22. USE OF TRADEMARKS

22.1 Grant to Verizon: Supplier hereby grants Verizon a non-exclusive, limited-term, non-transferable, revocable right and license to use, reproduce, publish, perform and display the Supplier Trademarks in connection with the development, use, reproduction in promotional and marketing materials, and electronic and printed advertising, publicity, newsletters and mailings about the Data Services. Verizon hereby acknowledges Supplier's exclusive ownership of and title to the Supplier Trademarks and the goodwill attaching thereto. Verizon agrees that the use of Supplier Trademarks will conform with usage guidelines that Supplier provides in writing to Verizon from time to time.

22.2Grant to Supplier.

22.2.1License.

22.2.1.1Subject to the terms and conditions of this Agreement, Verizon hereby grants to Supplier a limited, nonexclusive, nontransferable, royalty-free right and license to use the Verizon Marks solely in connection with connection with providing the Services.

22.2.1.2Except as provided in 22.2.1.1 above, Supplier shall not use, nor permit any other person or entity to use, the Verizon Marks in any manner, including, without limitation, as part of a corporate name, trademark, service mark, domain name, trade dress or logo.

22.2.1.3Supplier shall have no right to grant sublicenses of the Verizon Marks.

22.2.2Quality Standards.

22.2.2.1Supplier agrees that the nature and quality of all use by Supplier of the Verizon Marks shall conform to such reasonable guidelines and standards as are provided in writing from time to time by Verizon.

22.2.2.2Supplier shall submit to Verizon for review and approval, at least seven (7) business days prior to proposed use, all materials, in which the Verizon Marks are used. Subsequent changes to previously submitted materials still in the approval process will be approved within two (2) business days. Supplier hall not publish, distribute or use any such materials, in which the Verizon Marks are used without the prior written approval of the following representative of Verizon:

Elise Tague, email elise.tague@verizon.com.

22.2.2.3Notwithstanding the foregoing, Supplier may designate at the time of submission that the requested approval is for multiple/repetitive, identical uses on the same medium. Supplier may request approval for such multiple/repetitive, identical use for a period not to exceed the end of the term of this Agreement.

22.2.2.4Verizon reserves the right, in its sole discretion and without cause, to refuse to approve any proposed Supplier use of the Verizon Marks.

22.2.3 Ownership and Goodwill. Supplier acknowledges that, as between Verizon and Supplier, Verizon's affiliate Verizon Trademark Services LLC ("VTS") is the sole and exclusive owner of rights in the Verizon Marks, and Supplier undertakes not to challenge the validity of the Verizon Marks or VTS's registration and ownership of the Verizon Marks, and agrees that it will do nothing inconsistent with such ownership. Supplier further acknowledges and agrees that all use of the Verizon Marks by Supplier and all goodwill generated by and developed therefrom shall inure to the benefit of and be on behalf of VTS. Supplier agrees that nothing in this Agreement shall give Supplier any right, title or interest in or to the Verizon Marks other than the right to use the Verizon Marks in connection with the Licensed Use in the manner contemplated by this Agreement and only for so long as this Agreement is in force.

23. PUBLICITY AND DISCLOSURE

Each party agrees not to provide copies of this Agreement, or otherwise disclose the terms of this Agreement, to any third party without the prior written consent of the other party, except as required by law. Except as required by law, each party further agrees to submit to the contacts below, for written approval, all advertising, sales promotion, press releases and other publicity matters relating to the product furnished and/or the Service performed pursuant to this Agreement, when a name or mark or the name or mark of the other party or any of its partners or Affiliates is mentioned or language from which the connection of said name or mark may be inferred or implied. Such requests shall be sent to each of the following:

If to Verizon:

If related to Verizon Wireless products or services, to
Vice President -- Corporate Communications
Verizon Wireless
One Verizon Way
VC43E062
Basking Ridge, New Jersey 07920

If related to Verizon Wireline products or services, to
Vice President -- Media Relations
Verizon Telecom
One Verizon Way
VC31W467
Basking Ridge, NJ 07920

If related to Verizon Business products or services, to
Vice President -- Media Relations
Verizon Business
One Verizon Way
VC31W461
Basking Ridge, NJ 07920

If to Supplier:

Synchronoss Technologies, Inc.
200 Crossing Boulevard
Bridgewater, NJ 08807
Attention: President

With a copy to Supplier's General Counsel at the same address.

24. COMPLIANCE WITH LAWS

24.1 Supplier represents and warrants (i) that it and, to the best of its knowledge, its directors, shareholders, officers, employees, agents and all permitted subcontractors are currently in compliance and (ii) that it and its directors, shareholders, officers, employees, agents and all permitted subcontractors will remain in compliance with, the provisions of all applicable federal, state and local laws, including rules, regulations and orders decree or direction of the U.S. or applicable foreign jurisdictions (collectively "laws") in performance of this Agreement, , including but not limited to any laws pertaining:

24.1.1 to the employment of labor, hours of labor, health and safety, payment of wages, payment of taxes, employment eligibility status and verification (I-9); in this regard, Supplier shall not discriminate against any employee or applicant for employment because of race, color, religion, disability, sex, national origin, age, physical or mental disability, veteran status or other unlawful criterion, and it shall comply with all applicable laws against discrimination. (If applicable, the Equal Opportunity Clauses set forth in 41 C.F.R. §§60-1.4(a), 60-250.5(a), and 60-741.5(a) are incorporated by reference herein.);

24.1.2 to the safeguarding, protection, privacy, security, encryption, unauthorized disclosure, breach notification and disposal of personal or similar information used, maintained, and/or accessed on Verizon's behalf including, without limitation, the Standards for Protection of Personal information of the Residents of the Commonwealth of Massachusetts 201 CMR17:00; California Civil Code §1798.82 and the Fair and Accurate Credit Transactions Act of 2003, Public Law 108-159;

24.1.3 to directly or indirectly, making, offering, causing to be made, accepting, requesting, suggesting, directing or otherwise inducing any bribe, payment, loan, commission, hospitality, gift of money, kick-back, inducement or anything of value or other advantage (individually or collectively "Bribery") to any official, employee, agent or instrumentality of any government, including legislative, administrative or judicial positions, or any public international organization or any other person, company or legal entity to gain any advantage for Verizon or Supplier, or which is in violation of any economic or trade sanctions, in connection with any transaction relating to this Agreement that could result in a violation of any laws relating to Bribery, including without limitation the Foreign Corrupt Practices Act and the U.K. Bribery Act 2010 ("U.K. Bribery"). Notwithstanding any other provisions in this Agreement, Verizon may suspend performance or terminate this Agreement immediately upon written notice, if Supplier breaches any of the terms set forth in sections above. Following notice of termination, Verizon shall not be responsible for any payments due under the Agreement, and shall not be required to complete any order or take any other action pursuant to this Agreement, if it has reasonable basis to believe that such payment, completion of order, or other action would violate any applicable law, including but not limited to the Foreign Corrupt Practices Act, or the UK Bribery.

In the event of an unauthorized disclosure of personal or similar information or any other violation of the foregoing pertaining to Verizon, Supplier shall provide notice of same by e-mail to security.issues@verizon.com within forty-eight (48) hours, and to the notice addressee set forth in the Notices section of this Agreement by the means set forth therein. Supplier shall also procure any required permits or certificates necessary to perform its obligations under this Agreement.

24.2 Software furnished shall comply, to the extent applicable, with the requirements of the Federal Communications Commission's Rules and Regulations, as may be amended, including those sections concerning the labeling of such Software and the suppression of radiation to specified levels to the extent applicable. If the Software generates interference harmful to radio communications, and such Software was installed in accordance with such Rules and Regulations, then Supplier shall provide to Verizon methods for suppressing the interference. If the interference cannot be reasonably suppressed, Supplier shall accept return of the Software, refund to Verizon the price paid for the Software and bear all expenses for removal and shipment of such Software. Nothing herein shall be deemed to diminish or otherwise limit Supplier's obligations under Section 31, Indemnification or any other rights or remedies available to Verizon, whether at law or in equity.

24.3 Supplier represents and warrants to Verizon that at the time of delivery, the Platform delivered, or Software delivered, hereunder shall be "CALEA Compliant", meaning that they will comply with the provisions of the Communications Assistance for Law Enforcement Act (Pub L. 103-414, Title 1, October 25, 1994, 108 Stat 4279, as amended), as well as any regulations implementing the provisions of the law. .

24.4 Notwithstanding Section 24.1, it shall not be considered a material breach of this Agreement if a Party is not in compliance with an Applicable Law if such non-compliance is not material to a Party's performance under this Agreement.

25. FORCE MAJEURE

Neither Party shall be responsible for any delay or failure in performance of any part of this Agreement to the extent that such delay is caused by reason of acts of God, wars, revolution, civil commotion, acts of public enemy, embargo, acts of government in its sovereign capacity, or any other circumstances beyond the reasonable control and to the extent not involving any fault or negligence of the Delayed Party ("Condition"). If any such Condition occurs, the Party delayed or unable to perform ("Delayed Party"), upon giving prompt notice to the other Party, shall be excused from such performance on a day-to-day basis during the continuance of the impacts of such Condition (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis during the same period); provided, however, that the Party so affected shall use its best reasonable efforts to avoid or remove such Condition, and both Parties shall proceed immediately with the performance of their obligations under this Agreement whenever such causes are removed or cease.

Labor difficulties, including without limitation, strikes, slowdowns, work stoppage, picketing or boycotts, shall not constitute a Condition that excuses a party from performance of its obligations under this Agreement. In the event of such labor difficulties affecting a party, the other party shall use all lawful means to perform Services or meet obligations agreed to under this Agreement.

If the Condition continues for more than thirty days (30) days, then the Party affected may terminate this Agreement or any Authorization Letter.

26. **ASSIGNMENT**

The rights, obligations, and other interests of Supplier shall not be assigned by Supplier, in whole or in part, without the prior written consent of Verizon and any purported assignment of same shall be void and ineffective; provided, however, no consent shall be required in the event of the sale of all of the capital stock or substantially all of the assets to another party. provided, that such acquiring third party:

(a) agrees to be bound by all of the terms and conditions of this Agreement, and

(b) meets none of the following criteria:

i. Such acquiring third party is a competitor of Verizon or is owned by a competitor of Verizon;

ii. Such acquiring third party does not have substantially equal or greater financial wherewithal as compared to Supplier; or

iii. Verizon has been in litigation with such entity in the past over one or more of the following topics: Intellectual Property Rights, confidential information, data protection, or a material breach of a services agreement.

26.1 If Verizon sells, exchanges or otherwise disposes of all or a portion of the assets of, or Verizon's interest in, any business unit in which Services are used, then Verizon shall have the right to assign to such third party all applicable licenses, warranties, maintenance schedules and rights granted under this Agreement with respect to such Service; provided that the third party agrees to be bound by all obligations of Verizon to Supplier that pertain to the Service. Notwithstanding the foregoing, Verizon shall have the right to assign this Agreement to any Affiliate.]]

27. SUBCONTRACTING

Supplier shall not use subcontractors to perform the Services under this Agreement except by prior written consent of Verizon. Requests by Supplier to Verizon to use subcontractors shall be in writing and shall specify the Services to be subcontracted and the identity of the proposed subcontractors. It shall be Supplier's responsibility to update Verizon as it adds or deletes subcontractors and to ensure that the subcontractors it uses are in all cases approved by Verizon. Supplier accepts full responsibility for the acts and omissions of subcontractors and of persons either directly or indirectly employed by them in connection with performing Services hereunder to the same extent as Supplier is responsible for the acts and omissions of persons directly employed by Supplier.

In the event Verizon approves the use of a Subcontractor, for all subcontractors, including, without limitation, any application provider or Content provider, that directly or indirectly furnish hardware, facilities, software, data files, or services that are elements of, or support, the Hosted Services ("Third Party Providers"), Supplier shall contract with such Third Party Providers (other than Terremark or any other affiliate of Verizon) on terms and conditions that are the same as, or no less stringent and beneficial to Verizon than the terms and conditions of Sections 5, 19, 20, 21, 24.1.2 (if the Subcontractor will have access to Massachusetts customer information described in such Section) and 26 and the applicable SLA; and further as and for an inducement to Verizon to enter into this Agreement, Supplier shall make Verizon a third party beneficiary in all respects under such contracts between or among Supplier and such Third Party Providers in order to pass through to Verizon all rights and remedies against such Third Party Providers as may be beneficial to Verizon. Verizon's rights and remedies under all such Third Party Provider contracts shall be supplemental to its rights and remedies against Supplier.

28. TAXES

28.1 Verizon shall, as required by law, pay all state and local sales and use tax or other similar tax (each, a "Tax"), which is directly and solely attributable to purchases by Verizon from Supplier for consideration under this Agreement. Supplier shall bill such Tax to Verizon in the amount required by law, separately stating the amount and type of the billed Tax on the applicable invoice; Verizon shall pay such billed amount of Tax to Supplier; and Supplier shall remit such billed amount of Tax to the appropriate tax authorities as required by law; provided, however, that Supplier shall not bill to or otherwise attempt to collect from Verizon any Tax with respect to which Verizon provides Supplier with (i) an exemption certificate prepared in accordance with applicable law, (ii) a direct pay number, or (iii) other evidence, reasonably acceptable to Supplier, that such Tax does not apply. Except as provided in this Section 28.1, Supplier shall bear the costs of all import and export duties and other governmental fees of whatever nature (other than taxes) with respect to all Software and Services supplied under this Agreement. For the avoidance of doubt, Supplier shall be solely responsible for any taxes, tax-like charges or tax-related or other surcharges determined by Supplier's income, net worth, franchise or property. Supplier will bear any and all financial responsibility for interest, and penalties resulting from its failure to comply with applicable law.

28.2 Supplier shall be responsible for any sales, use, excise, value added, service, consumption, property, franchise, income, or other taxes and duties based upon or measured by Supplier's cost in acquiring goods or services furnished or used by Supplier in the Software and services supplied under this Agreement.

28.3 Supplier shall reasonably cooperate with Verizon so as to minimize the tax liability of Verizon, including, without limiting the generality of the foregoing, liability for Tax to be billed and collected under Section 28.1. Such cooperation shall include, without limiting the generality of the foregoing: (i) the delivery of Software and Documentation from Supplier to Verizon via electronic transmission; (ii) the separate statement of Tax charges on all invoices (including, without limiting the generality of the foregoing, charges for installation, assembly, configuration, freight, insurance and shipping); (iii) the maintenance and invoicing of separate prices for Software and Services; (iv) providing Verizon, upon request, with a written opinion as to (a) the percentage of the value of the Software or Services supplied under this Agreement, (b) the percentage breakdown of value among such categories of Software as Verizon may identify in its request, and (c) such supporting documentation and information with respect to such opinion as Verizon may request; and (v) upon request from Verizon, certifying in writing whether and, if applicable, to what extent, any particular Software is custom or pre-written.

28.4 Supplier shall cooperate with all reasonable requests of Verizon in connection with any contest or refund claim with respect to taxes. If applicable law places the responsibility on Supplier to collect a Tax from Verizon and Supplier fails to do so, Verizon will not be responsible for any interest or penalties associated with Supplier's failure to invoice such Tax solely due to its error. If Supplier incorrectly (in the reasonable opinion of Verizon) bills and collects Tax from Verizon and the taxing authority requires that any refund from the taxing authority be sought by the billing party, then, upon request from Verizon (together with reasonable supporting documentation), Supplier shall seek the refund and remit to Verizon the amount of the refund actually obtained, together with interest, if any, actually received, promptly upon receiving such refund and interest, if any, from the taxing authority. If the Supplier agrees with a tax authority to waive the Supplier's statute of limitations as to its audit period, Verizon will not be responsible for any portion of tax audit assessments on Supplier beyond Supplier's original applicable statute of limitations, nor, will Verizon be responsible for any portion of tax audit assessments on Supplier for any period for which Verizon's statute of limitations is closed due to expiration or audit settlement.

28.5 If any payment to be made in respect of any invoice is subject, under the law of any foreign tax jurisdiction, to any withholding tax, notwithstanding any provision of this Agreement to the contrary, Verizon shall make payment to Supplier of the amount owing on the invoice, less a deduction for the withholding tax, and shall account to the relevant tax authority for the withheld tax. Payments of the net sum to Supplier and the withholding tax to the relevant tax authority shall constitute, for purposes of this Agreement, full settlement of the amount owing under the invoice. Verizon will, upon written request from Supplier and at Supplier's expense, furnish any necessary evidence that may reasonably be required to establish the payment of the withholding tax to the relevant tax authority.

29. PERMITS

Unless otherwise specifically provided for in this Agreement, Supplier (including any employees, agents and contractors) shall obtain and keep in full force and effect, at its expense, any permits, licenses, consents, approvals and authorizations ("Permits") necessary for the performance of Services. Upon request, Supplier must submit to Verizon evidence of any Permits required for Supplier to perform Services in a given location.

30. WORK RULES AND ACCESS REQUIREMENTS

30.1 Supplier shall comply with Verizon security rules to the extent provided to Supplier or with respect to which Supplier has actual or reasonable constructive notice as well as all governmental security regulations including, but not limited to U.S. governmental regulations governing security clearances.

30.2 Supplier shall permit reasonable access to employees or subcontractors (for purposes of this Section, Verizon shall be responsible for such Verizon subcontractors as if they were Verizon employees) of Verizon during normal working hours to its facilities to the extent reasonably required in connection with the Service.

30.3 Supplier shall provide its employees, subcontractors, and agents and work vehicles with identification in accordance with current generally applicable Verizon supplier requirements

30.4 If Supplier is given access, whether on-site or through remote facilities, to any Verizon computer or electronic data storage system in order for Supplier to accomplish the Services called for in this Agreement, Supplier shall limit such access and use solely to perform Services within the scope of this Agreement, shall not without the prior written authorization of Verizon export or transmit any computer system, electronic file, software or other electronic services, or data therein contained, to entities or locations other than those specified in this Agreement and shall not access or attempt to access any computer system, electronic file, software or other electronic services other than those specifically required to accomplish the work required under this Agreement and only as permitted in this Agreement. Supplier shall limit such access to those of its employees who are qualified and required, subject to Verizon requiring written authorization, to have such access in connection with this Agreement, and shall strictly follow all Verizon's security rules for use of Verizon's electronic resources. All user identification numbers and passwords disclosed to Supplier and any information obtained by Supplier as a result of Supplier's access to and use of Verizon's computer and electronic data storage systems shall be deemed to be, and shall be treated as, Verizon Confidential Information under applicable provisions of this Agreement. Verizon reserves the right to monitor such actions by Supplier and Supplier agrees to cooperate with Verizon in the investigation of any apparent unauthorized access by Supplier to Verizon's computer or electronic data storage systems or unauthorized release of Confidential Information by Supplier.

30.5 If Supplier is given such access to any Verizon computer or electronic storage system, or if Supplier otherwise exchanges electronic messages or communications with Verizon (including but not limited to Verizon accessing any of Supplier's data bases or systems on-site or remotely), or if Supplier furnishes software or other electronic transmissions to Verizon, (i) Supplier shall not transmit or introduce any virus, worm or other malicious code to Verizon or into its network, computers, electronic storage systems or other systems (the foregoing shall not apply where Subscriber Data as transmitted by Verizon to Supplier contains such a virus, worm or other malicious code) and (ii) any Software provided to Verizon by Supplier for use by Supplier or Verizon shall (a) contain no hidden files; (b) not replicate, transmit, or activate itself without control of a person operating computing equipment on which it resides; (c) not alter, damage, or erase any data or computer programs without control of a person operating the computing equipment on which it resides unless such practice is consistent with Specifications or Service Requirements; (d) contain no encrypted imbedded key unknown to Verizon, node lock, time-out or other function, whether implemented by electronic, mechanical or other means, which restricts or may restrict use or access to any programs or data developed under this Agreement, based on residency on a specific hardware configuration, frequency of duration of use, or other limiting criteria ("Illicit Code") unless such practice is consistent with Specifications or Service Requirements.

30.6 Verizon reserves the right to reasonably request at any time and for any reason that specific employees, subcontractors, and agents of Supplier be removed from and not assigned by Supplier to perform Services for Verizon, and Supplier acknowledges, agrees and understands that Supplier will immediately comply with such request by Verizon.

30.7 Background Checks.

30.7.1 For each of the employees that Supplier wishes to assign to perform Services for Verizon, Supplier shall certify to Verizon that it has conducted (or caused to be conducted) a background check as described herein (collectively referred to as "background checking") to the extent permitted by applicable law. For purposes of this Section, "employee" shall include Supplier's employees and any of Supplier's contract personnel; and "assign" shall include training for Services to be provided to Verizon, unless otherwise agreed to by Verizon.

30.7.1.1 Where permitted by law, the criminal history check shall consist of a federal and state check for felony criminal convictions (or the equivalent thereof under relevant law) in all locations where the assigned employee has resided, has been employed, or has attended school in the immediately preceding seven (7) years, and a check of U.S. Government Specially Designated National (OFAC) and export denial lists. This criminal history check shall include, to the extent available and permitted by law, a check for outstanding warrants and a check for pending felony charges in all such locations. Statewide county searches shall be performed in all states where such search mechanism is available without requiring specialized data (such as fingerprints or DNA), and the National Criminal File database shall also be searched.

30.7.1.2 The employee will be checked against the National/State Sex Offender Registry (http://www.familywatchdog.us/ with no state selected) or the equivalent, to yield a national and all-states search.

30.7.1.3 The name to which employee's Social Security Number is attributed shall be verified.

30.7.1.4 The employee's citizenship, most recent country of permanent residence, and legal right to work in the jurisdiction in which the employee will be performing Services for Verizon shall be verified.

30.7.2 For any period of time encompassed in the foregoing background check requirement when the employee was resident outside of the United States, such background checking shall be conducted by a reputable investigative agency that conducts background checking in the relevant country(ies) for transnational technology firms comparable to Verizon, utilizing database checking, field checking and interviews as needed to the extent permitted by applicable law. The criminal convictions check shall include the equivalent, under relevant non-US law, of those convictions described in 30.7.1 to the extent permitted by applicable law

30.7.3 Supplier shall comply with all applicable laws in conducting the background check specified in this Section 30.7 including but not limited to, where required, securing from each employee who provides Services to Verizon such employee's written consent to perform the background checking specified in this Section 30.7 and to disclose the results thereof to Verizon upon Verizon's request to the extent permitted by applicable law. Without limitation of the foregoing, Supplier will make all written disclosures to and obtain written consent from each employee to obtain consumer reports as defined in and required by the Fair Credit Reporting Act to the extent permitted by applicable law. Supplier shall provide such results and written consent to Verizon upon request from Verizon. Supplier may be required to recertify on an annual basis that such Background Checks were performed for any employee who has performed Services and was not included in the prior certification.

30.7.4 Without prior review with and consent of Verizon, Supplier shall not assign any employee to provide Services to Verizon if such employee:

30.7.4.1 has been convicted of a felony (or the equivalent thereof under relevant law) within the last seven (7) years which, following a review under applicable law and applying the guidelines set forth in Exhibit G, Supplier concludes the circumstances of which are directly job-related to the assignment at Verizon and therefore makes the employee unsuitable for that assignment at Verizon, or for whom a warrant is outstanding, or for whom a felony charge is currently pending, or is on a U.S. Government Specially Designated National or export denial list. The foregoing shall not apply to a minor traffic violation (a moving traffic violation other than reckless driving, hit and run, driving to endanger, vehicular homicide, driving while intoxicated or other criminal offense involving gross negligence, recklessness, intentional or willful misconduct while operating a motor vehicle), to a conviction that has been legally expunged, or to a conviction for a misdemeanor that occurred while the employee was under the age of twenty-one years; or

30.7.4.2 is on the national or any state Sex Offender Registry which, following a review under applicable law and applying the guidelines set forth in Exhibit G, Supplier concludes the circumstances of which are directly job-related to the assignment at Verizon and therefore makes the employee unsuitable for that assignment at Verizon

30.7.4.3 does not have the legal right to work in the jurisdiction in which the employee will be performing Services for Verizon.

30.7.5 Supplier shall certify to Verizon that Supplier has caused the foregoing background checking to be performed for each employee assigned to provide Service for Verizon within thirty (30) days of the Effective Date; further, upon request, Supplier shall annually certify no later than the anniversary of the Effective Date that it has met the foregoing background checking requirements for all employees then assigned to provide Service for Verizon. Such certifications shall be sent via electronic mail to Verizon's in accordance with the Notice provision in the Agreement.

31.8 Supplier agrees to comply with Verizon's Supplier Code of Conduct located at http://www22.verizon.com/ethics, which may be updated from time to time to the extent Verizon notifies Supplier in writing of such update.

31. **INDEMNIFICATION**

31.1 Supplier shall defend, indemnify and hold harmless Verizon, its parents, subsidiaries and Affiliates, and its and their respective directors, officers, partners, members, employees, agents, successors and assigns ("Indemnified Parties") from and against any claims, demands, lawsuits, damages, liabilities, loss, costs or expenses (including, but not limited to, reasonable fees and disbursements of counsel and court costs), judgments, settlements and penalties of every kind ("Claims"), that may be made: (a) by anyone for injuries (including death) to persons or damage to tangible property, including theft, resulting in whole or in part from the acts or omissions of Supplier or those persons furnished by Supplier, including its subcontractors (if any); (b) by persons furnished by Supplier and its subcontractors (if any) under Worker's Compensation or similar acts; (c) by anyone in connection with or based upon Services or Software (including products furnished hereunder) provided by Supplier and its subcontractors, if any, or contemplated by this Agreement, including Claims regarding the adequacy of any disclosures, instructions or warnings related to any such Services; (d) under any federal securities laws or under any other statute, at common law or otherwise arising out of or in connection with the performance by Supplier contemplated by this Agreement or any information obtained in connection with such performance and (e) for any breach by Supplier of Section 15.9.1. The foregoing indemnification shall apply whether Supplier or an Indemnified Party defends such Claim and whether the Claim arises or is alleged to arise out of the sole acts or omissions of the Supplier (and/or any subcontractor of Supplier) or out of the concurrent acts or omissions of Supplier (and/or any subcontractor of Supplier) and any Indemnified Parties. Supplier further agrees to bind its subcontractors, if any, to similarly indemnify, hold harmless, and defend the Indemnified Parties.

31.2 Verizon will provide Supplier with prompt, written notice of any written Claim covered by this indemnification and will cooperate appropriately with Supplier in connection with Supplier's evaluation of such Claim. Promptly after receipt of such request, Supplier shall assume the sole control and defense of such Claim. Supplier shall not settle or compromise any such Claim or consent to the entry of any judgment without the prior written consent of each Indemnified Party and without an unconditional release of all claims by each claimant or plaintiff in favor of each Indemnified Party.

32. **INSURANCE**

32.1 Supplier shall secure and maintain at its expense during the term of this Agreement:

32.1.1 Commercial General Liability insurance (including, but not limited to, premises-operations, products/completed operations, contractual liability, independent contractors, personal and advertising injury) with limits of at least $2,000,000, combined single limit for each occurrence and $2,000,000 general aggregate.

32.1.2 Commercial Automobile Liability insurance with limits of at least $2,000,000 combined single limit for each accident covering all owned, non-owned hired and leased vehicles.

32.1.3 Workers' Compensation insurance, in compliance with the statutory requirements of the state(s) of operation and Employer's Liability insurance with limits of not less than $1,000,000 each accident/disease/policy limit.

32.1.4 A combination of primary and excess/umbrella liability policies will be acceptable as a means to meet the limits specifically required hereunder. THE REQUIRED MINIMUM LIMITS OF COVERAGE SHOWN ABOVE, HOWEVER, WILL NOT IN ANY WAY RESTRICT OR DIMINISH SUPPLIER'S LIABILITY UNDER THIS AGREEMENT.

32.1.5 Professional Liability/Errors and Omissions insurance, with limits of not less than $2,000,000 each claim.

32.2 Supplier represents and warrants that it will obtain upon or prior to the effective date of the agreement a policy or policies of insurance from an insurer(s) that (i) is licensed, authorized or permitted to do business in the state(s) where service is to be provided, and (ii) has a Best's Rating "A- VII" or better. Supplier shall deliver a Certificate of Insurance on which Verizon Communications Inc., its subsidiaries and Affiliates are named as additional insureds and listed as a Certificate Holder to the following address:

Afiya Craig-Cobb
Verizon Sourcing LLC
One Verizon Way
Mailcode VC31E266
Basking Ridge, NJ USA 07920

or via Verizon's vSource supplier portal. Supplier's insurer or its authorized representative shall provide no less than thirty (30) days prior written notice of intent to non-renew, cancellation or material adverse change, except ten (10) day notice for nonpayment of premium shall apply.

32.3 Supplier shall waive its rights of subrogation against Verizon for all claims, as permitted by law.

32.4 Supplier agrees that Supplier's policy is primary and non-contributory with any insurance or program of self-insurance that may be maintained by Verizon.

32.5 Supplier is responsible for determining whether the above minimum insurance coverages are adequate to protect its interests. The above minimum coverages do not constitute limitations upon Supplier's liability.

32.6 Self-Insure. Should Supplier elect to self-insure any portion of the insurance required to be maintained, Supplier shall maintain a senior unsecured credit rating from Standard & Poor's, Moody's of at least BBB- or Baa2 or commensurate rating respectively. If Supplier's senior unsecured credit rating falls below either of these thresholds during the term of this Agreement, Supplier will procure insurance for the risks it is self-insuring as soon as possible but no later than thirty (30) days from the date of such event. If Supplier does not have a senior unsecured credit rating described above, a minimum net worth of $100 million will be required to self-insure and shall be maintained throughout the term of this Agreement. If Supplier's net worth falls below $100 million during the term of this Agreement Supplier will procure and maintain insurance for the risk it is self-insuring as soon as possible.

33. RELATIONSHIP OF PARTIES

In providing any Services or Software under this Agreement, Supplier is acting solely as an independent contractor and not as an agent of any other Party. Persons furnished by the Supplier shall be solely the employees or agents of the Supplier and shall be under the sole and exclusive direction and control of such Party. They shall not be considered employees of Verizon for any purpose. Supplier shall be responsible for compliance with all laws, rules and regulations involving its respective employees or agents, including (but not limited to) employment of labor, hours of labor, health and safety, working conditions and payment of wages. Supplier shall also be responsible, respectively, for payment of taxes, including federal, state, and municipal taxes, chargeable or assessed with respect to its employees or agents, such as social security, unemployment, worker's compensation, disability insurance and federal and state income tax withholding. Neither Party undertakes by this Agreement or otherwise to perform or discharge any liability or obligation of the other Party, whether regulatory or contractual, or to assume any responsibility whatsoever for the conduct of the business or operations of the other Party. Nothing contained in this Agreement is intended to give rise to a partnership or joint venture between the Parties or to impose upon the Parties any of the duties or responsibilities of partners or joint venturers.

34. NOTICES

With the exception of invoices pursuant to Section 11 (Fees/Payment); requests for publicity consent under Section 23 (Publicity and Disclosure), and MWDBVE matters under Exhibit E (Primary Supplier Commitment), Notices concerning this Agreement shall be in writing and shall be given or made by means of telegram, facsimile transmission, certified or registered mail, express mail or other overnight delivery service, or hand delivery, proper postage or other charges paid and addressed or directed to the respective Parties as follows. A notice that is sent by facsimile shall also be sent by one of the other means set out by this Section:

To Supplier: Synchronoss Technologies, Inc.
200 Crossing Blvd.
Bridgewater, NJ 08807
Attention: President
Fax: 908-231-0762

With a copy to:

Synchronoss Technologies, Inc.
200 Crossing Blvd.
Bridgewater, NJ 08807
Attention: General Counsel
Fax: 908-231-0762

To Verizon: Verizon
One Verizon Way
Basking Ridge, NJ USA 07920
Attention: Donna Hoffman

With a copy to: Verizon Sourcing LLC
One Verizon Way
Basking Ridge, New Jersey 07920
Attention: Vice President and Deputy General Counsel - Sourcing
Fax: 908-766-3691

Notices for change in ownership, change in name of firm, or change in mailing address must be given by each party by mailing to the other party within thirty (30) days of such change. Notices for change in ownership must include the names of all new owners or officers, registered agent for service of process and state of incorporation or organization.

35. NONWAIVER

Either party's failure to enforce any of the provisions of this Agreement or any Authorization Letter, or to exercise any option, shall not be construed as a waiver of such provisions, rights, or options, or affect the validity of this Agreement.

36. SEVERABILITY

If any provision of this Agreement shall be invalid or unenforceable, then such invalidity or unenforceability shall not invalidate or render unenforceable the entire Agreement. The entire Agreement shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of the Parties shall be construed and enforced accordingly.

37. LIMITATION OF LIABILITY

EXCEPT FOR CLAIMS UNDER SECTION 19 (CONFIDENTIAL INFORMATION), IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY, ITS EMPLOYEES, SUBCONTRACTORS, AND/OR AGENTS, OR ANY THIRD PARTY, FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, PUNITIVE DAMAGES, OR LOST PROFITS FOR ANY CLAIM OR DEMAND OF ANY NATURE OR KIND, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE PERFORMANCE OR BREACH THEREOF.

THE AGGREGATE LIABILITY OF EITHER PARTY FOR ALL CLAIMS MADE IN ANY CALENDAR YEAR UNDER OR IN CONNECTION WITH THIS AGREEMENT, IRRESPECTIVE OF THE BASIS OF CLAIM (WHETHER WARRANTY, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE) SHALL BE LIMTED TO THE GREATER OF (I) AN AMOUNT EQUAL TO ONE AND ONE HALF TIMES THE TOTAL FEES PAID OR CURRENTLY PAYABLE BY VERIZON TO SUPPLIER HEREUNDER IN THE TRAILING TWELVE MONTHS OR (II) TEN MILLION DOLLARS.

THE FOREGOING LIMITATIONS (AS TO TYPE OF DAMAGES AND AMOUNT OF DAMAGES) SHALL NOT APPLY WITH RESPECT TO: (I) DAMAGES OCCASIONED BY THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF A PARTY; (II) CLAIMS THAT ARE THE SUBJECT OF INDEMNIFICATION PURSUANT TO SECTIONS 19 OR 32; (III) DAMAGES OCCASIONED BY A PARTY'S BREACH OF ITS OBLIGATIONS WITH RESPECT TO CONFIDENTIAL INFORMATION; (IV) DAMAGES OCCASIONED BY A PARTY'S BREACH OF SECTION 25 OF THIS AGREEMENT; (V) DAMAGES OCCASIONED BY IMPROPER OR WRONGFUL TERMINATION OF THIS AGREEMENT WORK BY SUPPLIER OR FAILURE BY SUPPLIER TO PERFORM TRANSITION SERVICES, OR (VI) DAMAGES OCCASIONED BY CLAIMS FOR DEATH, PERSONAL INJURY, OR DAMAGE TO PROPERTY.

The Parties acknowledge that the fees paid hereunder reflect the foregoing allocation of risk.

38. DISPUTE RESOLUTION

38.1 The Parties desire to resolve certain disputes, controversies and claims arising out of this Agreement without litigation. Accordingly, except in the case of a suit, action or proceeding to compel either Party to comply with the dispute resolution procedures set forth in this Section the Parties agree to use the following alternative procedure with respect to any dispute, controversy or claim arising out of or relating to this Agreement or its breach. The term "Dispute" means any dispute, controversy or claim to be resolved in accordance with the dispute resolution procedure specified in this Section.

38.2 At the written request of a Party, each Party shall appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any Dispute arising under this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives. The discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, shall be exempt from discovery and production, and shall not be admissible in any lawsuit without the concurrence of all Parties. Documents identified in, or provided with, such communications, which are not prepared for purposes of the negotiations are not so exempted and may, if otherwise admissible, be admitted in evidence in the lawsuit.

38.3 If the negotiations do not resolve the Dispute within sixty (60) days of the initial written request, the Parties may pursue their available remedies at law or in equity.

39. ORDER OF PRECEDENCE

All quotations, Authorization Letters, Change Orders, acknowledgments, and invoices issued pursuant to this Agreement shall be subject to the provisions contained in this Agreement. In the event of any conflict between a specific term or condition of this Agreement and a specific term or condition contained in an Authorization Letter or Change Order, the specific term or condition of the Authorization Letter or applicable Change Order shall control and take precedence where the Agreement provides that this Agreement is subject to such Authorization Letter or Change Order or where it is stated in a clear and unambiguous matter in the Authorization Letter or Change Order that the specific term or condition of the Exhibit is in conflict with the Agreement and takes precedence. The terms and conditions of this Agreement and its Exhibits will control over any additional, conflicting or inconsistent terms contained in any Authorization Letter, Change Order, quotation, acknowledgment or invoice, unless agreed in writing by authorized representatives of the Parties; provided that, the following provisions, as they to Services or Software ordered pursuant to a particular Authorization Letter, can be changed by language contained in that Authorization Letter or Change Order: (i) the quantity, (ii) special quoted price, (iii) payment terms, (iv) warranty period, or (v) delivery date.

40. SECTION HEADINGS

The headings of the several sections are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

41. SURVIVAL OF OBLIGATIONS

The respective obligations of the Parties under this Agreement that by their nature would continue beyond the termination, cancellation or expiration, shall survive any termination, cancellation or expiration, including, but not limited to, obligations to indemnify, insure and maintain confidentiality.

42. CHOICE OF LAW AND JURISDICTION

The construction, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to any conflicts of law principles that would require the application of the laws of any other jurisdiction and subject to the exclusive jurisdiction of the federal or state courts in New York. The Parties hereby consent to the exclusive jurisdiction of the courts in the State of New York and agree to accept the service of process of such courts such that any suit brought by either Party against the other Party for claims arising out of this Agreement shall be brought in the Supreme Court of the State of New York, New York County, and/or, if applicable, the United States District Court for the Southern District of New York. The application of the United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from this Agreement.

43. GIFTS AND GRATUITIES AND CONFLICTS OF INTEREST

43.1 Supplier certifies that, to the best of Supplier’s knowledge and belief, no economic, beneficial, employment or managerial relationship exists between Supplier and any employee of Verizon, or between Supplier and any relative of an employee of Verizon, that would tend in any way to influence such employee in the performance of his or her duties on behalf of Verizon in connection with the awarding, making, amending or making determinations concerning the performance of this or any other agreement.

43.2 The exchange or offering of any money, gift item, personal service, entertainment or unusual hospitality by Supplier to Verizon is expressly prohibited. This prohibition is equally applicable to both Parties' officers, employees, agents or immediate family members. Any violation of this provision constitutes a material breach of this Agreement.

44. ENTIRE AGREEMENT

This Agreement together with its exhibits constitutes the entire agreement between the Parties and cancels all contemporaneous or prior agreements, whether written or oral, with respect to the subject matter of this Agreement. No modifications shall be made to this Agreement unless in writing and signed by authorized representatives of the Parties

45. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives.

VERIZON SOURCING LLC	**SYNCHRONOSS TECHNOLOGIES, INC.**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT A – FORM OF AUTHORIZATION LETTER

Date

Contact Name
Supplier Name
Address
City, State

Re: This Application Service Provider Agreement between Verizon and _____ ("Supplier")

Verizon Contract No.
Authorization Letter Number: _____

Dear _____:

This authorization is pursuant to the terms and conditions of the above-referenced agreement (the "Agreement").

The services to be performed are described in the attached "Statement of Work" (Schedule 1) ("Project").

The schedule of pricing is set forth in the attached Statement of Work.

The Verizon Project Leader will be: _____

Invoices shall be billed on a monthly basis and addressed to:

Verizon **[INSERT APPROPRIATE ADDRESS]**

_____

_____

Attn: _____

The payment terms shall be as defined in the Agreement. Supplier shall not issue its invoice for the Project until the earlier of Verizon's written acceptance of the Project or the expiration of the acceptance period set forth in the Statement of Work.

The Services will be performed at the Verizon facilities located at _____. Travel time to and from this location will not be billable. Out-of-pocket expenses, authorized in advance by Verizon, will be billed to Verizon in accordance with the Agreement.

The maximum amount authorized under this letter is $_____ ("Amount Authorized"). Services authorized by this letter will commence on _____ and will continue until _____, subject to the earlier of 1) completion of the Project; or 2) termination of Services under the Agreement. The Verizon Project Leader will specify standards and/or other constraints to be applied to work being performed. Supplier will provide the Verizon Project Leader with a weekly status report indicating hours worked by day and status of assigned tasks.

Please indicate your acceptance of this Authorization Letter by having it signed by an authorized representative of Supplier and return a fully executed original and a copy of your insurance certificate to _____ at the address stated above with copies to _____.

Sincerely,

(Name)
Verizon
(Title)

Agreed to and accepted by Supplier:

BY: _____

NAME: _____

TITLE: _____

DATE: _____

EXHIBIT B – CHANGE REQUEST FORM

	CHANGE REQUEST FORM		
CUSTOMER PROVIDED INFORMATION			
Originator's Name:	Date:	Telephone:	Email:
Customer Name:		Application Name:	
Description of Problem or Desired Changes (Attach Additional sheets as Necessary):			
Recommended Action/Solution (Attach Additional sheets as Necessary):			
TO BE COMPLETED BY SUPPLIER			

Functional Areas Affected: Application Development Production Operations Project Management Office Network Engineering QA Legal Data Base Management Other Content Management Marketing	
Written description of the work Supplier anticipates performing in order to effectuate such change(s) requested:	
Schedule for commencing and completing such work:	
The number of person hours expected to be expended and the costs to Customer associated with such change(s):	
Analysis/Evaluation/Comments:	
Reviewed/Verified By: Project Manager _____ Date: _____ Business Unit Manager _____ Date: _____ Other _____ Date: _____	
Change Management Team Recommendation: Work Defer Close	Target Release Date:
Agreed to and accepted by Supplier: BY: _____ NAME: _____ TITLE: _____ DATE: _____	Agreed to and accepted by Verizon: BY: _____ NAME: _____ TITLE: _____ DATE: _____

EXHIBIT C-1 - BASELINE INFORMATION SECURITY REQUIREMENTS

This Baseline Information Security Requirements for Suppliers ("Exhibit") defines certain minimum physical and logical information security controls and requirements for Suppliers performing services for or providing services to Verizon. This Exhibit supplements all security requirements set forth in the Agreement, and statements of work and Orders thereunder (collectively or individually, the "Agreement(s)"). This exhibit does not limit other rights of Verizon or obligations of Supplier that otherwise exist under applicable laws or agreements, including, but not limited to, additional security requirements that may be imposed to address protection of specific information, specific agreements, specific engagements, or changes in applicable law; and any security protection requirements in such laws and agreements that are more stringent than those set forth in this Exhibit shall replace and supersede the corresponding terms of this Exhibit. Any exceptions to the following requirements must be approved in writing by Verizon in advance of implementation. Unless expressly stated otherwise in the Agreement(s), the terms of this Exhibit shall take precedence and prevail over any conflicting or inconsistent provisions in the Agreement(s) only to the extent that they are more stringent than the conflicting or inconsistent provisions of the Agreement(s).

As used in this Exhibit, compliance is required with those requirements that are preceded by the words "shall" or "must." Those requirements that are preceded by the word "should" are important, however Supplier is free to adopt alternatives that result in information protection and security that is at least equivalent to conformance to those requirements.

1) **Definitions**:

a) Information Definitions

Confidential Information	Defined in the Agreement(s)
CPNI Privacy Information (CPNI-PI)	One or more of the following CPNI related personal information data elements that may be combined with a person's identifying information (name, telephone number, email address, driver's license number, internet address, etc.): (1) Call detail records (2) Credit information (3) Internet Usage Information (4) Video Viewership Information

Personally Identifiable Information (PII)	Information capable of being associated with a particular individual through one or more identifiers, including but not limited to: (1) Military ID number (2) Passport Number (if applicable) (3) Work Visa Number (if applicable) (4) Access Codes, Pin, Password, challenge responses for individual user access to information systems (5) Mother's Maiden Name (6) Federal Tax ID (Social Security Number) in many cases) (7) Driver's license number (8)) State identification card number (9) An account number or credit or debit card number (10) Alien registration number (11) Health insurance identification number "Personally Identifiable Information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.
Sensitive Information	Any SPI, PII or CPNI-PI, collectively or individually.
Sensitive Personal Information (SPI)	One or more of the following personal data elements that may be combined with a person's identifying information (name, telephone number, email address, driver's license number, internet address, etc.): (1) Social Security number, (2) driver's license number or state-issued identification card number, (3) financial account number, or credit or debit card number, with our without any required security code, access code, personal identification number (PIN) or password that would permit access to that person's financial account, (4) medical information (including, but not limited to, any information regarding an individual's medical history, mental or physical condition, or medical treatment or diagnosis by a health care professional), (5) health insurance information (i.e., an individual's health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual's application and claims history, including any appeals records). "Sensitive Personal Information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

b)General Definitions

Industry Standard	"Industry Standard" means: (1) actually used or adopted by a substantial number of comparable companies working with comparable information of a comparable nature; (2) prescribed for use by an a governing industry standards body or group; or (3) assessed by recognized experts in the field as acceptable and reasonable.	
Media Destruction	A process that destroys media on which information is located and thereby makes recovery of such information impossible, and means "destroyed" as specified in Guidelines for Media Sanitization, National Institute of Standards and Technology, NIST Special Publication 800-88 (NIST 800-88). Incineration, shredding and pulverizing are all permissible physical destruction methods in accordance with minimum standards specified in NIST 800-88. Media that have been subject to such Destruction are "Destroyed" under these Baseline Security Requirements.	
Storage Encryption	Data encryption using at least using a non-proprietary industry standard algorithm that has not been broken (AES and 3Des are acceptable encryption methods). Verizon Sensitive Information stored by Supplier shall be protected using the following minimum encryption standards: **File/Data Type Cipher Encryption Algorithm Strength** Flat (ASCII) files Symmetric Block Triple DES 168 bits Symmetric Block AES 256 bits Database Tables Symmetric Block Triple DES 168 bits Symmetric Block AES 256 bits Backup/Tape Symmetric Block Triple DES 168 bits Symmetric Block AES 256 bits Other Symmetric Block Triple DES 168 bits Symmetric Block AES 256 bits	

Sanitization	"Sanitized" or "sanitization" is a process that removes information from media or that renders such information irretrievable, such that data recovery is not possible, and means "sanitized" no less effectively than as specified in Guidelines for Media Sanitization, National Institute of Standards and Technology, NIST Special Publication 800-88 (NIST 800-88).	
Secure Transportation	Transport utilizing a licensed, bonded, secure carrier that implements and adheres to a "chain of custody program", approved by Verizon, for tracking the movement and disposition of storage media or other equipment from receipt to final disposition, including tracking the following specific items: (1) Ownership of the media (2) Serial number of the media (3) Verification at collection/pick-up location (owner/end user) (4) Driver name, date and time Stamp (5) Receipt at Supplier's location (date and time Stamp);	
Security Breach	The unauthorized acquisition or unauthorized use of unencrypted data, or the unauthorized acquisition or unauthorized use of encrypted data along with the confidential process or key that is capable of compromising the security, confidentiality, or integrity of such encrypted data.	
Strong Authentication	Authentication is a process for verifying an individual and/or the individual's electronic identity. An individual or the individual's electronic identity can be certified by positively identifying any one of the following: 1) Something they know (an authentication code), such as a password; 2) Something they have (an authentication device), such as a proximity door card or a SecurID card; or 3) Something they are (physical characteristics), such as facial features, retina pattern, or a fingerprint Strong Authentication occurs when a user is required to submit or use at least two of these identification indicators for verification.	
Supplier Devices	Servers, computers, mobile devices (other than mobile workstations), and communications equipment provided by Supplier in connection with work under the Agreement.	
Supplier Staff	Supplier staff includes employees, contract employees, temporary staff, authorized subcontractors, and employees, contract employees and temporary staff of the foregoing subcontractors.	

Transport Encryption	Transport encryption shall be no less secure than encryption consisting of SSL v3 or TLS protected by a minimum of 128 bit encryption with a 1024 bit keys using Verizon approved digital certificates. Public certificates must be used for all web-based servers. If other transport encryption methods are utilized, they must conform to these minimum standards.	

2) Information Security Program Requirements:

Supplier is required to maintain an information security program that at minimum includes the following:

a) One or more designated qualified employees must be responsible to maintain the Supplier information security program.

b) Supplier must maintain written information security policies and standards that address all information security requirements contained in the Agreement(s); that are at minimum consistent in all material respects with the requirements of this Exhibit and with applicable Industry Standards; and that support the confidentiality, integrity and availability of Supplier systems, information and business operations and the confidentiality, integrity and availability of Verizon Sensitive Information and Confidential Information. In addition, such policies and standards must conform to all applicable data protection laws and regulations.

c) Supplier executive management must endorse information security polices and standards;

d) Supplier Staff must receive periodic training (at least annually) to understand Supplier's security policies, and must acknowledge their adherence to Supplier's security policies. Written certification of the periodic training and of the acknowledgement of information security policies by Supplier employees and permitted contractors must be maintained by supplier for inspection by Verizon upon reasonable request.

e) Non-compliance with Supplier's information security policies must result in meaningful discipline.

f) Supplier Information Security program must include periodic education and awareness messages to Supplier Staff that consist of relevant and timely information to sensitize such staff to the importance of security for Sensitive Information and Confidential Information, complying with applicable use requirements and limitations, the proper use of Supplier's security systems, and the requirements of Supplier's information security program.

g) Supplier must review its security measures on an ongoing basis, at least annually and whenever there is a material change in business practices that may implicate the security or integrity of records containing Sensitive Information. Such review will identify and assess reasonably foreseeable internal and external risks to the security, confidentiality and/or integrity of any electronic, paper or other records containing Sensitive Information.

h) Supplier must regularly monitor its security measures to identify and assess reasonably foreseeable risks to the security, confidentiality and/or integrity of Sensitive Information and to ensure that its information security program is operating in a manner reasonably calculated to prevent unauthorized access to or unauthorized use of Sensitive Information, and to ensure that the security program continues to comply with applicable laws. Supplier will promptly notify Verizon of any findings of deficiencies in its security program and of its plans mitigating such deficiencies, and Supplier will upgrade its information security safeguards as necessary to minimize the risks associated with those deficiencies.

i) Supplier must, no less often than annually, audit each computer (PC or workstation) that is connected to the Verizon corporate network or to Verizon servers to verify that each such computer has the antivirus and firewall capabilities and the periodic updates thereto required in this Exhibit. Supplier must immediately remedy any non-conforming computer before it is reconnected with the Verizon corporate network or a Verizon server. Supplier must maintain the results of such audits, including records of non-conformities found and their remediation, for no less than three years, and provide those results to Verizon on request.

j) Supplier must flow down to all permitted subcontractors the obligation to comply with this Exhibit.

3) <u>Physical Security Requirements (Suppliers conducting information processing of Verizon Sensitive Information at Supplier Premises)</u>

a) Personnel Security

i) To the extent Supplier Staff are provided access to Verizon computers, systems, servers, systems and resources ("Verizon Resources") in order to perform services for Verizon, Supplier must ensure that such staff are notified that they are not entitled to privacy protection if they access such Verizon Resources, and that access to and communications with Verizon Resources may be monitored by Verizon.

b) Facilities Access Control

i) Supplier must have controls in place to allow only authorized individuals into Supplier facilities where Verizon Sensitive Information and/or Confidential Information is stored or is accessible.

ii) Facility access control systems must be secured from tampering, circumvention or destruction.

iii) Facility access control systems must be maintained at all times in functional order and must be updated or changed if they become compromised or ineffective (for example, if keys are stolen, the locks should be changed).

iv) Facility access controls must be Industry Standard, and should include some or all of the following elements:

(1) Issuance of employee or contractor identification badges;

(2) Use of smartcards or other electronic or physical identity verification systems (pin/key access locks, biometrics, etc.);

(3) Use of dedicated security personnel who control access to the Supplier's facilities;

(4) 24x7 main lobby security guard station;

(5) Locks on all ground floor windows;

(6) Alarmed locks on all external doors; and

(7) Use of CCTV on all entrances and entrances to data computing facilities, to include ninety (90) days of video storage.

v) Visitors accessing the facility must be managed in accordance with the following practices:

(1) Visitors to Supplier facilities must be registered in a visitor log. The log should document the visitor's name, the firm represented, and the employee authorizing physical access on the log. The log should be retained for inspection by Verizon for a minimum of three months, unless otherwise restricted by law.

(2) Visitors should be issued temporary identification badges specific to the length of the expected visit in the facility. Visitor identification badges must be returned upon the visitor's departure.

(3) Temporary visitor identification should be noticeably different from Supplier's normal employee and contractor identification.

(4) Supplier must inform employees of the approved formal policies for granting access to visitors at Supplier facilities.

(5) Any visitor to a Supplier facility that accesses areas where Verizon Sensitive Information and/or Confidential Information is stored, processed or transmitted must be accompanied and supervised at all times by a Supplier employee who is specifically authorized to access confidential Verizon data.

(6) Prior to granting a visitor to a Supplier facility access to any computer, server or system containing Verizon Sensitive Information and/or Confidential Information, access by each such visitor must be approved in writing by the designated Verizon contact, and the visitor must be positively identified as the person for whom Verizon has given such approval.

(7) Under no circumstances may visitors be left unattended in an area where they have physical access to equipment that handles Verizon Sensitive Information and/or Confidential Information.

c) Facilities Access Monitoring:

i) The Supplier should utilize appropriate levels of monitoring equipment in public areas of their facilities to ensure the auditing of Supplier facility entry and exit activity can be performed.

ii) For all Supplier access control and monitoring installations, appropriate safeguards and retention of records should be implemented to ensure the integrity of the systems and the availability of the records if the need arises.

d) Separate Information Processing Environments

At a minimum, the following physical security and access controls must be implemented and maintained throughout the terms of the engagement:

i) Verizon Sensitive Information and/or Confidential Information must not be processed on servers that are accessible in general business areas of Supplier's facility and must be isolated in dedicated information processing areas with independent physical, monitoring, environmental and health and human safety systems (referred to as a "Computer Room").

ii) Access to any information processing area where Verizon Confidential and/or Sensitive information is processed must be restricted to authorized Supplier personnel only.

iii) Supplier must implement physical access policies and procedures to ensure that physical access is revoked when it is no longer needed or appropriate (for example, immediately removing access for separated employees or removing access for employees who are no longer authorized to access Verizon Confidential and/or Sensitive Information). Removal of Physical Access should occur in a timely manner not to exceed 24 hours.

iv) Supplier must employ technical and organizational mechanisms to prevent unauthorized copying of Sensitive Information within Information Processing Environments. These mechanisms shall include disabling/restricting local ports so as to prevent downloading of data onto removable USB drives, MP3 players or similar devices, restrictions on uploading or file transfer from the facility to unauthorized recipients, and a prohibition on the use of cameras (excluding CCTV security unit) and other screen capture devices.

e) Computer Room Physical Security Requirements

Computer room facilities where Verizon Sensitive Information and/or Confidential Information is stored, processed or transmitted must implement the following information security controls:

i) All computer room doors must be secured to prevent unauthorized access into the room.

ii) Each computer room door must have signs on both sides indicating it is to be closed and locked with a contact to notify if it is found unsecured.

iii) Supplier Staff must be instructed to immediately report unsecured doors.

iv) Supplier must implement a reliable process of designating staff access to Computer Rooms.

v) Supplier Staff should only be authorized to enter a Computer Room for a legitimate business need and a record of the individual's identity, justification and duration of access should be maintained.

vi) A separate electronic access control system utilizing strong authentication should be installed on Computer Room doors that will only allow authorized personnel access to the room, unless access to the room is controlled 24 hours a day, 7 days a week, by a guard.

(1) The access control system must be secured against tampering.

(2) The access control system must log the entry and exit of staff for each time the door is opened. Entry and exit logs should contain a reliable time stamp, room location and identification of the person who gained access or exited the room.

(3) The access control system should alert security staff in the event that a secured door has been open beyond a reasonable amount of time (for example, by being propped open and unattended).

vii) Supplier should periodically review access records to ensure that access controls are being enforced effectively. Any discrepancies or unauthorized access must be investigated immediately by Supplier information security personnel and reported to the Verizon Sponsor.

viii) Supplier should periodically review CCTV video storage to ensure that access controls are being enforced effectively to prevent unauthorized entry. Any unauthorized access must be investigated immediately by Supplier information security personnel and Supplier must provide Verizon notice of such breach of security in accordance with this Exhibit.

f) Asset Disposal and Reclamation

i) Upon conclusion or termination of Supplier's work for Verizon, at Verizon's option Supplier must either:

(1) Sanitize or Destroy all copies of all Verizon information maintained under the Agreement or an applicable Order or Statement of Work (collectively, "work agreement"), including all backup and archival copies, or

(2) return to Verizon all copies of all Verizon information maintained under work agreement, as well as all backup and archival copies.

ii) When no longer required for performance under the Agreement and prior to disposition, recycle, or resale, electronic and non-electronic (hardcopy) media containing Verizon Sensitive Information and/or Confidential Information shall be rendered unreadable and unrecoverable by Sanitization or Destruction.

iii) All non-electronic media containing Verizon Sensitive Information and/or Confidential Information must be Destroyed utilizing a cross cut shredder.

iv) All electronic media containing Verizon Sensitive Information and/or Confidential Information shall be destroyed or rendered unusable when such information is no longer required for performance under this agreement and prior to disposition, recycle or resale, using methods that prevent access to information stored in that type of media. At minimum, media containing Verizon Sensitive Information and/or Confidential Information shall be "sanitized" in accordance with NIST Special Publication 800-88. Although Verizon prefers that data be disposed of in a manner consistent with "Destruction", at a minimum, electronic media that at any point contains Verizon Confidential and/or Sensitive Information must be disposed in a manner consistent with "Sanitization" requirements in the NIST standard. Additionally the following minimum standards must be met:

(1) All tape must be incinerated or degaussed with a degausser that meets the performance standards provided by the US National Security Agency (NSA) which can be found at http://www.nsa.gov/ia/_files/Government/MDG/NSA_CSS-EPL-9-12.PDF.

(2) When Sanitizing magnetic or flash media, the preferred method of Sanitization is to perform a Secure Erase (to be used only for ATA Drives and SCSI drives, where technically feasible - available from the University of San Diego CMRR, at http://cmrr.ucsd.edu/people/Hughes/SecureErase.shtml). Alternatively, if Secure Erase is technically inappropriate or is not used, a minimum of a three pass block erasure shall be utilized that removes the data from magnetic disk media by sequentially overwriting all addressable locations in the following manner, and then verifying the same by a disk read: (i) overwriting with a random pattern; (ii) overwriting with binary zeros; and (iii) overwriting with binary ones. The National Institute of Standards and Technology and Federal Agencies Security Practices initiative (FASP) have specified the Active KillDisk software, http://www.killdisk.com/eraser.htm, as a compliant sanitization tool for IDE, SCSI and ATA drives.

(3) Optical Disk media must be destroyed.

(4) Removal of non-functional electronic storage media: Non-functional electronic storage media (e.g., a failed drive) may not be capable of Sanitization, and therefore must be either returned to Verizon or Destroyed. When removing non-functional electronic storage media from a Verizon or Supplier facility, Supplier may Destroy the media onsite prior to removal as specified herein. If the electronic storage media are not Sanitized or Destroyed, and must be removed from the Verizon or Supplier premises without such sanitization or destruction, Supplier shall utilize Secure Transportation to a Verizon or other disposal site. Supplier shall track disposition of the media (e.g., Destroyed by Supplier, Sanitized by Supplier, conveyed to a Verizon-authorized third party for Destruction, etc.) and provide to Verizon a Certificate of Sanitization (COS) and/or Certificate of Destruction (COD) upon completion of the Sanitization, or Destruction.

v) Required Records: Supplier shall maintain records at the serial number level for four years of all receipts and disposition which identify the media (or computing assets) being processed. All records pertaining to the disposition of each of the media or computing assets must be available for audit and verification by Verizon during this four year period. The Supplier must provide reports monthly to Verizon

g) **Shipment of Sensitive Information:**

i) Non-Electronic Sensitive Information: Whenever possible, Sensitive Information in non-electronic form should be converted to electronic form for secure transmission in accordance with this Exhibit, and all non-electronic hard copies Destroyed as specified in this Exhibit. If such conversion is impracticable,

Sensitive Information in non-electronic hardcopy form must be shipped in the United States using U.S. Postal Service Registered Mail with return receipt, or the substantial equivalent thereof by a licensed overnight courier or delivery service. Any shipment of Sensitive Information in non-electronic (hardcopy) form between a United States and foreign point must be specifically pre-approved by Verizon in writing and must be shipped in accordance with such instructions as Verizon provides in its approval.

ii) Electronic Media containing Sensitive Information: If electronic media containing Sensitive Information are shipped, the Sensitive Information must be encrypted using Storage Encryption unless shipped in accordance with the Secure Transportation requirements herein.

4) Logical Security Requirements (Suppliers conducting information processing of Verizon Information)

a) Logical Access Control

Supplier must develop logical access controls for all computing systems handling Verizon Confidential and/or Sensitive Information. Logical Access controls must include:

i) The assured enforcement of authentication controls to limit access to information systems to only those individuals who are currently active and who are authorized to access a given information system.

ii) A secure and reliable method of enforcing authorization controls which limit access to Verizon Sensitive Information and Verizon Confidential Information to only previously-authorized Supplier Staff.

iii) Use of the “principle of least privilege” model for access, enabling Supplier personnel to access only such information and resources as are necessary when they perform under the Agreement for the role assigned to the authorized user,

iv) A process of controlling User IDs and other identifiers to ensure they are unique among users and are not shared.

Note: Sensitive Personal Information must not be used as an authentication or an authorization mechanism to obtain a password, or for log in rights or for access to any application, system, website or database owned or operated by Verizon or on Verizon’s behalf. The last four digits of a Social Security number, passwords, PINs, challenge responses and/or access codes are permitted to be used for such purposes in conjunction with other data.

v) A process which will immediately terminate access by an employee or contractor who no longer requires access to perform under the Agreement (e.g., a terminated or reassigned employee/contractor).

vi) Periodic review of access, authorization and other applicable monitoring logs on all systems to ensure the access control and authentication systems are performing as expected.

vii) Processes that utilize industry standard password selection and aging procedures to limit opportunities for compromise of password security. Such password procedures should include but not be limited to the following:

(1) A process to ensure that no user or information system may utilize Supplier-supplied default account passwords.

(2) A secure method of assigning and selecting passwords or other unique identity validation values, such as biometric registration values or the issuance of one-time-password token devices.

(3) Limit repeated access attempts by locking out the user ID after not more than six (6) attempts with a thirty (30) minute minimum lockout duration

(4) Verification of user identity before password resets;

(5) All passwords must be have first-time passwords set to a unique value for each user and change immediately after the first use;

(6) Inactive accounts must be disabled after 90 days;

(7) Password must be changed at least every ninety (90) days;

(8) Passwords must be at least eight (8) characters and must include letters and numbers;

(9) Supplier must require users to submit passwords that are different than any of the last four (4) passwords the individual has used;

(10) If a session has been idle for more than fifteen (15) minutes, require the user to re-enter the password to reactivate the terminal.

(11) Control and encrypt with a 1-way hash, data security passwords to ensure that such passwords are kept in a location and/or format that does not compromise the security of the data they protect.

b) Access Logging and Monitoring

i) Supplier must maintain electronic logs of persons accessing Verizon Confidential and/or Sensitive Information depicting the details of the access and transactional changes made.

ii) Logs must be maintained for inspection by Verizon for a minimum of ninety (90) days.

iii) Logs shall be stored centrally on Supplier owned or controlled systems that cannot be altered by users or privileged users.

iv) At a minimum logs shall capture the following information for all access to Verizon Confidential and/or Sensitive Information:

(1) Unique user ID;

(2) Login/Logout time;

(3) System/data set accessed;

(4) Failed login attempts;

(5) Activity (for privileged users such as data base administers, system administrators, etc.) including changes to permissions, changes to data, etc.)

v) Access logs shall be reviewed by Supplier at least daily and provided to Verizon for inspection upon reasonable request. Alternatively, log parsing tools which automatically generate alerts based on information security rules may be utilized provided that alerts are reviewed and appropriate action is taken, at least daily.

c) Network and Communications Security

The Supplier must develop and implement network and communications security policies, procedures and technology to control and detect potential network and communications information security system issues and failures.

At a minimum, Supplier must have:

i) Firewall controls at appropriate points in the Supplier network to control the ingress and egress of communications and data to environments containing Verizon Sensitive Information and/or Confidential Information. At a minimum, Network Firewalls must protect all connections to open, public networks. System Security Patches and updates for Firewalls must be implemented in a timely manner not to exceed 30 days following release.

ii) Supplier must employ industry standard intrusion detection systems (IDS) for any environment into which Sensitive Information will be placed.

(1) Network IDS must be placed on network connection points between the Supplier environment containing the Verizon Confidential and/or Sensitive Information and other network environments. Alternatively, Host-Based IDS may be placed on all computing assets storing, processing or transmitting Verizon Confidential and/or Sensitive Information.

(2) IDS must be configured with business rules appropriate to the environment and must be configured to generate alerts immediately.

(3) Signatures and software for IDS must be kept current and up to date.

(4) IDS alerts must be reviewed at least daily by trained security personnel.

iii) System Segmentation

(1) Information systems storing, processing or transmitting Sensitive Information must be logically isolated from systems that handle other companies' information. For example, Supplier must use separate database server instances for the processing of Verizon data or must use separate virtual operating system images than those used or accessed by other companies who the Supplier may also service.

(2) At no time may Verizon Sensitive Information and/or Confidential Information be housed on a server shared by companies other than

the contracting Supplier. For example, a shared web server that is used by several companies and maintained by an Internet Service Provider must not be used to house Verizon data. This requirement also applies to “cloud-based” services.

(3) Internet-facing web servers must be dedicated to this task, and must not host internal (intranet) applications for the Supplier.

iv) Transport Encryption for all electronic communications that contain Sensitive Personal Information, and Transport Encryption for Verizon Confidential and/or Sensitive Information that traverses networks outside of the direct control of the Supplier or Verizon (including, but not limited to, the Internet, WI-FI and mobile phone networks).

v) Transport encryption of all data containing Sensitive Information to be transmitted wirelessly.

vi) Policies, procedures and appropriate technology solutions to ensure all systems receive and apply the most current security updates on a regular basis.

vii) No remote access to Sensitive Information, from home or other location that is not at the premises of the Supplier or Verizon shall be permitted without the specific authorization of Verizon, and such authorization will be conditioned on measures that maintain the security of such Sensitive Information and that prevent unauthorized access thereto, or unauthorized copying or retention thereof. All remote access to Sensitive Information must require Strong Authentication and Encrypted transmissions.

viii) Logical Security Requirements when connecting Supplier controlled devices to Verizon Networks

(1) All Supplier Devices to be used to connect to the Verizon Network must be either provided by Verizon or alternative must be owned or leased by the Supplier (personally-owned equipment may not be used to perform work for Verizon).

(2) Supplier personnel accessing Verizon networks must not have any concurrent access to other non-Verizon networks from their workstation(s) while connected to Verizon’s Network unless that access is through the Verizon Network.

(3) All computing device remote access to the Verizon Network must utilize approved Verizon Virtual Private Networks including Client-based access, transport encryption and strong authentication.

(4) Supplier Devices must not traverse any unencrypted wireless networks while attaching to the Verizon network. All wireless connections should utilize transport encryption utilizing WPA2 in enterprise or PSK mode at a minimum (WEP encryption is not permitted).

d) Information Systems and Device Management

i) General Requirements

(1) All Supplier Devices used to store, process or transmit Verizon Confidential and/or Sensitive Information, and/or to provide information services to Verizon in connection with work under the Agreement, must either be provided by Verizon or alternatively, must be owned or leased by the Supplier (personally-owned equipment may not be used to perform work for Verizon).

(2) All assets controlled by Supplier used to perform work for Verizon must be tracked using an inventory management system including the following information.

a. Name, location, retention schedule, and Verizon-assigned data classification level (as described in the Verizon Data Classification in Section 6 of CPI-810) of the information asset such as a database or file system.

b. A knowledgeable individual owner of each information asset (the default owner of an information asset is its creator)

c. Computer systems (i.e. Servers – Host Name/IP Address) that house Verizon data

d. Storage encryption status for any Sensitive Information (both at rest and on any back up media).

(3) All Supplier Devices used to perform work for Verizon should be centrally managed by the Supplier.

(4) All Supplier Devices used to perform work for Verizon must be managed for the application of operating system and applicable software patches. Critical operating system and software security patches must be installed in a timely manner not to exceed one (1) month following release for public availability.

(5) All Critical Security Patches for workstations shall be installed within 7 days of publication from the software or hardware vendor.

(6) All Supplier Devices shall have current antivirus software installed (if technically feasible) and configured to check for updates on a daily basis at a minimum.

(7) All Supplier Devices that connect to the Internet shall have a personal firewall or its equivalent enabled and configured to only allow connections to authorized business applications. By default, the personal firewall must use a default deny rule that blocks inbound traffic that is not specifically allowed in the course of a specific communication

(8) All Supplier mobile computing devices (notebook computers, PDAs, etc.) and portable storage devices (portable drives, flash drives, thumb drives, optical disc media, etc.) used to store or process Verizon Sensitive Information and/or Confidential Information must have “whole disc” or other device Storage Encryption enabled for internal as well as peripheral and removable media. Encryption keys for mobile computing devices and portable

storage devices must be kept in escrow and sufficiently protected by the Supplier to enable forensic recovery of data on any protected device. Whole disk Encryption should be implemented with a Pre-Boot authorization configuration.

(9) Supplier personnel must not communicate, store or process any Verizon confidential data on any email, storage or processing repository that is outside of the direct ownership and control of Supplier. For example, the use of personal web email accounts, web-based backup services, Internet-based document editing or public cloud-based computing services are prohibited without express written permission from the Verizon Sponsor.

(10) Sensitive Information data should not be stored or used in testing or other non-production environments. If this use is required, an authorized exception permitting such use must granted in writing by Verizon, and such data must either be (a) masked so that it no longer meets the definition of Sensitive Information, or (b) protected using controls against unauthorized access, copying or viewing that are comparable to those required for the protection of Sensitive Information in production environments.

ii) Data Storage Requirements

(1) Data Obfuscation

a. All Sensitive Personal Information and Personally Identifiable Information at rest must be encrypted using Storage Encryption. CPNI-PI should also be encrypted using Storage Encryption. Storage Encryption of the device on which such information is stored will satisfy these requirements.

b. Data Replacement (e.g. SAFE) or field level masking may be acceptable methods of obfuscation. Such methods must be approved in writing by Verizon prior to implementation.

(2) Encryption Key Management

a. Supplier shall implement key and seed management procedures that enable Verizon Confidential or Sensitive Information to be retrieved if the person who encrypted such data is unable or unwilling to decrypt the data.

b. Keys and seeds shall be properly protected, using either physical procedures including very limited access control, separation of duties and logging/monitoring key access or encryption no less robust than is required for Supplier's own most highly confidential or Sensitive Personal Information and not accessible by unauthorized personnel.

c. Additionally, Supplier shall require split keys for all key encryption such that one person does not have the full key

for any data encrypted at rest. Generally, Encryption Keys should also be encrypted.

d. Supplier shall maintain a written and tested process for key rotation on a periodic basis (at least annually) or in event of compromise (does not apply to keys for data stored in offsite backup).

iii) Data Backup Requirements

(1) Verizon Sensitive Information and/or Confidential Information must be backed up on separate tapes/drives than data belonging to or accessed by other companies.

(2) Backups must be encrypted with Storage Encryption that accommodates key escrow by supplier

(3) Backup media must be physically secured against theft or tampering and must implement physical controls that comply with all applicable state and federal requirements.

(4) Chain of custody records must be maintained for all backup media containing Verizon Sensitive Information and/or Confidential Information moving to offsite storage of backups

(5) Supplier must ensure that all backup media is tracked and must ensure that contractual data destruction requirements can be met.

5) Coding Practices

a) Supplier must disclose to Verizon all open source code utilized to develop custom code and provide Verizon an opportunity to review all such open source code prior to its utilization within or with custom developed code.

b) Supplier shall implement peer review throughout the development process and make use of code review tools to ensure secure coding and to identify malicious code or code misconfigurations.

6) Business Continuity Planning/Disaster Recovery (BCP/DR) for Suppliers performing Information Processing at Supplier Locations

a) So that the business processes may be quickly re-established following a disaster or outage, Supplier must maintain an updated inventory of all critical production systems and supporting hardware, applications and software, projects, data communications links, and critical staff at both primary and secondary sites.

b) To the extent Verizon has contracted for BCP/DR services from Supplier, Supplier must ensure preparation, maintenance, and regular test of a BCP/DR plan that ensures that all critical computer and communication systems will be available in the event of emergency or a disaster, and meet service level and recovery time and recovery point objectives.

c) To the extent Verizon has contracted for BCP/DR services from Supplier, BCP/DR plans must be tested at least annually, and all test results must be periodically reported to Verizon.

d) Any emergency event-related disruption of business activities must be reported forthwith to a designated Verizon contact.

7) Notification of Breach of Security

a) Supplier must maintain an internal or third-party professional security service with the capability of investigating, responding to and mitigating any potential or actual security incidents within Supplier's area of operations that involves Verizon Sensitive Information and/or Confidential Information throughout the period of time in which Supplier maintains such information in its systems or facilities (or those of permitted subcontractors).

b) The supplier's incident response team must have documented formal procedures that comply with Industry Standards and applicable laws addressing investigation and response to information security incidents. The procedures must include documentation describing the steps taken to correct discovered breaches.

c) Supplier's information security policies and procedures must require the immediate reporting of suspected or actual violations of policy to an appropriate Supplier security contact.

d) Supplier must establish and maintain an easily understandable procedure for Supplier Staff to report security incidents to an appropriate Supplier security contact, and for such information to be reported to a designated Verizon contact.

e) Supplier must as soon as practicable, not to exceed two hours following discovery of an unauthorized disclosure or security breach, notify and update Verizon via electronic mail to security.issues@verizon.com such of such disclosure or breach, with confirmation sent to the contract notice addressee set forth in the Agreement by the means set forth therein, of:

   i) Any Security Breach or other actual or threatened unauthorized access or release of Verizon Sensitive Information or Confidential Information or to the systems holding or providing access to such Verizon information.

   ii) Any occurrences of viruses and malicious code, not mitigated by deployed detection and protection measures, on any workstation or server used to provide services under the Agreement or applicable statement of work or Order thereunder.

f) Following notification to Verizon in accordance with the previous subsection, or notification to Supplier by Verizon of a security incident or breach that Verizon reasonably believes was caused by Supplier, Supplier must: provide regular updates to Verizon; investigate the incident or potential breach of security; report the results of such investigation to Verizon; cooperate with Verizon in any Verizon investigation of the breach and the effects thereof; allow Verizon to inspect Supplier computers that Verizon reasonably believes caused or were involved in the breach; and implement corrective measures to prevent future breaches.

g) Notwithstanding its notification(s) to Verizon, Supplier must comply with all applicable notification requirements imposed by law, including but not limited to notification requirements under federal and state laws protecting privacy.

8) Audit Compliance and Verizon's Right to Audit Supplier Operations

a) Supplier must be prepared to provide necessary confirming documentation in support of Verizon's external audits (such as Sarbanes-Oxley or PCI) upon Verizon's request pursuant to the terms of the Agreement.

b) Supplier must permit Verizon to audit its security controls periodically, not more than once per calendar year or other period specified in the Agreement, and reasonably cooperate with Verizon in such audit.

c) Supplier must provide copies of relevant security policy, process, and procedure documents to Verizon for review and audit purposes upon request. Verizon may review and recommend reasonable changes, and Supplier must amend the policies or respond with mitigating controls and responses within a reasonable time period for mutually agreed to changes.

EXHIBIT C- 2 – VERIZON WIRELESS NETWORK SECURITY REQUIREMENTS

1. DEFINITIONS

The terms defined in this Section shall have the meanings set forth below whenever they appear in this Exhibit, unless the context in which they are used clearly requires a different meaning or a different definition is described for a particular Section or provision:

1.1. **"Confidential Information"** shall mean: Verizon customer data and proprietary network information, data pertaining to Verizon systems, networks, services, and the security controls implemented on those systems and networks, data pertaining to Verizon employees, Verizon proprietary and/or trade secret information, and any other information or data labeled as confidential or proprietary under the terms of the Agreement.

1.2. **"Industry-standard"** shall mean: an accepted set of best practices that are (1) used or adopted by a substantial number of companies that are engaged in a similar type of business ("comparable companies") to manage information of a similar type; (2) prescribed for use by a governing industry standards body or group; or (3) established by recognized experts in the field as being acceptable and reasonable.

1.3. **"Penetration Test"** shall mean: part of the Risk Assessment Process whereby highly skilled, experienced and trained person(s), known as "white-hat hackers", engage in a coordinated and planned attack on computer systems and networks to discover potential vulnerabilities and ensure the logical controls can withstand deliberate attempts to be circumvented.

1.4. **"Program"** shall mean: the documented and exercised processes and procedures for accomplishing common objectives and monitoring such accomplishment, which may be updated from time to time.

1.5. **"Risk Assessment Process" and "Risk Assessment"** shall mean: a documented and exercised process used to identify the risks to system security and determine the probability of occurrence, the resulting impact, and identify additional safeguards or modifications that would eliminate and/or adequately mitigate this impact.

1.6. **"Risk Management Program"** shall mean: the documented and exercised process for identifying, controlling, and mitigating information system related risks. It includes Industry-standard qualitative and/or quantitative Risk Assessment Process; cost-benefit analysis; and the selection, implementation, testing, and evaluation of safeguards, including a determination of steps required to meet the four security goals of Security Assurance.

1.7. **"Security Assurance"** shall mean**:** grounds for confidence that the four security goals (i.e., integrity, availability, confidentiality, and accountability) have been adequately met by a specific computer system. "Adequately met" includes (1) functionality that performs correctly, (2) sufficient protection against unintentional errors (by users or software), and (3) sufficient resistance to intentional penetration or bypass.

1.8. **"Threat-source"** shall mean: either (1) intent and method targeted at the intentional exploitation of a Vulnerability or (2) a situation and method that may accidentally trigger a Vulnerability.

1.9. **"Threat Analysis"** shall mean: the examination and documentation of threat-sources against system Vulnerabilities to determine the potential threats applicable to a specific computer system in a particular operational environment.

1.10. **"Vulnerability"** (or "Vulnerabilities" in the plural) shall mean: a flaw or weakness in computer system functionality, design, implementation, internal controls, or security procedures that could be exercised (accidentally triggered or intentionally exploited) and result in a security breach or a violation of the system's security policy.

2. GENERAL REQUIREMENTS

2.1. This Security Requirements Exhibit ("Exhibit") is applicable to all relevant aspects of Supplier's performance under the Agreement , including without limitation the development, offering, use and/or maintenance of any service, software or other product there under, and any future releases, versions, updates, enhancements and modifications thereto ("Software" or "Hardware", as the case may be).

2.2. Supplier will at all times implement and maintain Industry-Standard administrative, physical and technical security controls, which will be followed in all relevant aspects of Supplier's performance under the Agreement. Such controls will be sufficient in nature and scope to protect (1) the confidentiality, integrity and availability of Verizon's Confidential Information as well as (2) the availability and integrity of Verizon's service, network and operations.

2.3. Supplier shall comply with the administrative, physical and technical security controls as described in this Exhibit and in Verizon's Security Standards & Policies ("Verizon Policies"). Supplier shall request from Verizon all revised and additional Verizon Policies applicable to Supplier's Software and Hardware before execution of each new work order.

2.4. Notwithstanding anything to the contrary, for such changes or additions to Verizon Policies applicable to Supplier's Software and Hardware, the parties shall review such documentation for change and exceptions that impact the Software or Hardware. A Change Request may be required for implementation by Supplier of any such changes to the Verizon Policies.

2.5. For each given Authorization Letter, Verizon Policies applicable to the Software and Hardware supporting the Platform under such Authorization Letter shall be set forth in an exhibit to the Authorization Letter as well as any exceptions to this Exhibit or other terms and conditions agreed upon by the Parties pertaining to Verizon Policies or the Information Security Policy.

3. CONFIDENTIAL INFORMATION

3.1. Supplier warrants that Verizon's Confidential Information shall only be used for the purposes specified under the Agreement. Supplier's obligation to protect Verizon's

Confidential Information in accordance with the provisions of this Exhibit shall survive indefinitely. Upon expiration or termination of the Agreement, Supplier shall promptly return and/or securely destroy all Verizon Confidential Information except as required by law.

3.2. Supplier shall take appropriate measures to secure Verizon Confidential Information, both during transit and in storage by using Industry-standard mechanisms for protection (e.g., encryption). This protection shall also include all forms of portable media (e.g. flash/usb drive, laptop, CD, DVD, Blu-ray, portable hard drive, cell/smart phone, MP3 player and etc.)

4. INFORMATION SECURITY POLICIES AND PROGRAM

Supplier shall implement and maintain a comprehensive and Industry-standard Risk Management Program, including without limitation the following:

4.1.1. Supplier shall have an information security policy which describes the security and privacy controls that Supplier currently implements in its operations to comply with all applicable Verizon Policies and this Exhibit ("Information Security Policy"). Supplier shall establish and maintain a Risk Management Program to implement its Information Security Policy, which shall include without limitation the following:

4.1.1.1. A Risk Assessment Process which shall ensure that Supplier's operating environment, development environment, systems, applications, networks and procedures are regularly evaluated to identify and remediate security Vulnerabilities.

4.1.1.2. A Program for intrusion and security breach detection, prevention and incident response.

4.1.1.3. A Program for configuration management of systems, network and applications.

4.1.1.4. A Program for the implementation and administration of logical access control(s) to data, systems and network.

4.1.1.5. A Program for the implementation and administration of physical access control(s) to facilities and data.

4.1.1.6. Supplier shall, at minimum, annually review the Risk Management Program using an internal or external auditor to assess compliance with the requirements under its Information Security Policy.

5. SECURE DEVELOPMENT LIFECYCLE

Supplier's controls associated with the development, pre-production testing and delivery of any and all Software and Hardware shall include, without limitation, Supplier's obligation to:

5.1. Implement Industry-standard security controls for its operating environment, systems, networks and all facilities in which the Software is being developed and/or hosted.

5.2. Develop, implement, and comply with Industry-standard secure coding best practices.

5.3. Establish processes, including as appropriate, using Vulnerability source code scanners, operating system security benchmarking tools, web application scanners or other tools or techniques, or information acquired through Industry-standards organizations, to assess the Software or Hardware for security Vulnerabilities prior to production release.

5.4. Follow Industry-standard practices to mitigate and protect against all known and reasonably predictable security Vulnerabilities, including but not limited to: (1) unauthorized access, (2) unauthorized changes to system configurations or data, (3) disruption, degradation, or denial of service, (4) unauthorized escalation of user privilege, (5) service theft, and (6) unauthorized disclosure of Confidential Information.

5.5. Supplier must ensure all security features and configurations survive any update, modification or upgrade to Software and Hardware or are replaced with features and configurations that meet the requirements of this Exhibit, unless prior written consent is obtained from Verizon.

6. SECURITY ASSURANCE

Supplier shall maintain a Risk Assessment Process which demonstrates the Security Assurance of Supplier's Software and Hardware. This Process shall include, but is not limited to:

6.1. Supplier must, at Verizon's cost, coordinate and conduct a Risk Assessment of its Software and Hardware using a Certified Verizon third-party security testing vendor. This Risk Assessment must be completed sixty (60) days prior to the initial delivery of Supplier Software and Hardware, respectively or as otherwise agreed upon by the Parties in writing. Supplier shall thereafter, at Verizon's cost and discretion, repeat this Risk Assessment at the earlier of (1) every major version release or (2) annually for all Software and Hardware deployed in the Verizon network or hosted by Supplier. This Risk Assessment shall include the following:

6.1.1. A Threat Analysis of the Software and Hardware

6.1.2. A Penetration Test of the Software and Hardware

6.1.3. A Risk Assessment of the administrative, technical, logical and physical security controls of the pertinent operating environment, systems, networks, and facilities where Software and Hardware is hosted, if hosted by Supplier.

6.2. Supplier must resolve all high and medium risk Vulnerabilities identified in the Risk Assessment Process prior to production release except as otherwise specified by Verizon in writing. At Verizon request, Supplier shall provide to

Verizon a documented resolution timeline thirty (30) days before production release for all remaining Vulnerabilities to be remediated post production. This document shall include the date by which each Vulnerability will be remediated.

6.3. Verizon may request a copy of the scope of work from the above third-party Risk Assessment Process (Section 6.1). Supplier shall deliver this document to Verizon within two (2) business days of the initial request.

7. SECURITY BREACH AND INCIDENT RESPONSE

7.1. Supplier shall establish and maintain documented escalation processes for any security breaches and incident responses, including procedures for notifying Verizon within twenty-four (24) hours after a security breach is discovered where such breach may negatively affect Verizon's reputation, Confidential Information, systems, network, services, data, assets, and/or customers.

7.2. Supplier shall not notify any other parties that an actual or suspected security breach affects Verizon without prior written consent by Verizon, except to the extent required by law.

7.3. Supplier shall cooperate and provide information as required by Verizon and any authorized consultants, contractors, attorneys, or other third parties hired by Verizon to investigate a security breach of Supplier's operating environment.

7.4. In the event of a security breach affecting Verizon, Supplier must issue a post mortem report to Verizon within forty-eight (48) hours of breach discovery that includes (1) the identification of all Verizon information potentially compromised by such breach; (2) the actions taken by Supplier to mitigate damage caused by the breach; and (3) safeguards implemented to prevent a recurrence of such breach.

8. RIGHT TO RISK ASSESSMENT

8.1. Verizon, at its sole cost, reserves the right to perform a Risk Assessment of Supplier Software and Hardware. At the discretion of Verizon, the Risk Assessment may occur on an annual basis, or upon each new release of Software and/or Hardware and may include without limitation, Vulnerability assessments and Penetration Tests of: (1) the Software and/or Hardware; (2) the underlying infrastructure and operational environment in which the Software and/or Hardware is running or hosted; (3) network and facilities related to the operation or maintenance of the Software and/or Hardware; and (4) Supplier's administrative, technical and/or physical controls related to such Software and/or Hardware. For Risk Assessments or Penetration Tests that require Supplier's involvement, resources, facilities or systems, the parties will mutually agree as to (1) the extent of Supplier's involvement; (2) those resources, facilities or systems of Supplier's that would be required; and (3) the schedule for such Risk Assessment or Penetration Tests.

8.2. Verizon's asserted right to conduct its own Risk Assessment shall in no way replace or substitute for Supplier's own Risk Assessment Process or the requirements contained within this Exhibit. At the discretion of Verizon, a third party security vendor may be used to conduct such Verizon Risk Assessment.

9. VULNERABILITY MANAGEMENT

Supplier shall implement and maintain a comprehensive and Industry-standard Vulnerability Management Program. Supplier shall maintain dedicated employee(s) to monitor pertinent channels of public vulnerability disclosure (e.g. the NIST National Vulnerability Database) which affect Supplier Software or Hardware. This Program shall include, but is not limited to (1) the underlying platform (e.g., operating system, database product, web server and etc.); (2) all third-party and (3) open-source software included as part of Supplier Software and Hardware. This Program shall include, but is not limited to:

9.1. Supplier shall provide dedicated employee(s) to liaison with the Verizon Vulnerability Management personnel.

9.2. Supplier shall resolve identified Vulnerabilities in Supplier Hardware and Software at Supplier expense.

9.3. For Supplier Software or Hardware within the Verizon network and managed by Verizon, Supplier shall deliver to Verizon a regression tested patch within fifteen (15) days from the date the Vulnerability was initially disclosed or the date Supplier was notified by Verizon.

9.4. For Supplier Software or Hardware hosted within the Verizon network and managed by Supplier, Supplier shall implement in production a regression tested patch within fifteen (15) days from the date the Vulnerability was initially disclosed or the date Supplier was notified by Verizon.

9.5. For Supplier Software or Hardware hosted externally to the Verizon Network, Supplier Shall implement in production a regression tested patch within fifteen (15) days from the date the Vulnerability was initially disclosed or the date Supplier was notified by Verizon.

EXHIBIT C-3 CLOUD SECURITY REQUIREMENTS

Production / Non-Production Segregation of Cloud Duties: Production and non-production cloud environments shall be kept separate to prevent unauthorized access or changes to information assets, particularly in the case of Cloud and virtualization administrators with privileged access.

Wireless Security. Policies and procedures shall be established and mechanisms implemented to protect access to cloud architectures from unauthorized wireless access, including the following:
1) Firewalls implemented and configured to restrict unauthorized traffic
2) Essential security settings enabled with strong encryption for authentication and transmission, replacing vendor default settings (e.g., encryption keys, passwords, SNMP community strings, etc.).
3) Logical and physical user access to wireless access points restricted to authorized personnel
4) The capability to detect the presence of unauthorized (rogue) wireless network devices for a timely disconnect from the network

Shared Networks and/or Applications. Access to systems with shared infrastructure shall be restricted to authorized personnel in accordance with security policies, procedures and standards. Networks and/or applications shared with external entities shall have a documented plan detailing the compensating controls used to separate network traffic and application access between organizations.

Clock Synchronization. A standard NTP time source must be used to synchronize the system clocks of all cloud-based information processing systems within the organization or explicitly defined security domain to facilitate tracing and reconstitution of activity timelines.

Mobile Code. Mobile code (i.e. code shared between cloud and client devices or software) shall be authorized before its installation and use, and the configuration shall ensure that the authorized mobile code operates according to a clearly defined security policy. All unauthorized mobile code shall be prevented from executing.

EXHIBIT D - DISASTER RECOVERY PLAN

EXHIBIT E – COMPLIANCE WITH MINORITY, WOMAN-OWNED, AND SERVICE-DISABLED VETERAN BUSINESS ENTERPRISES (MWDVBE) UTILIZATION

Primary Supplier Commitment

A. Supplier Commitment.

1. The Supplier (hereinafter “Primary Supplier”) agrees to provide opportunities for suppliers identified and Certified as a Minority, Woman, and Service-Disabled Veteran - owned and controlled Business Enterprises (hereinafter “MWDVBE”), in accordance, at a minimum, with the terms and conditions of this Exhibit.

2. In addition, if the scope of this Agreement includes the provision of products or performance of services for or in conjunction with a Verizon Federal government agreement, the then-current Federal Acquisition Regulations (FAR) requirements regarding MWDVBE subcontracting and reporting shall also apply.

3. In the event that a change in ownership results in a change of Supplier or subcontractor’s status as a Certified MWDVBE, Supplier shall notify Verizon in writing within thirty (30) days of such change.

B. Definitions.

1. **Certified** - Currently certified as MWDVBE by an authorized certifying body, such as the National Minority Supplier Development Council (NMSDC) or its affiliate regional councils, the Women’s Business Enterprise National Council (WBENC) or its affiliate regional councils, the California Public Utility Commission (CPUC) Clearinghouse, or other similar local, state, or federal certifying body.

2. **Control -** Having overall fiscal/legal responsibility and exercising the power to make policy decisions.

3. **Owned -** At least fifty-one percent (51%) of the business or, in the case of a publicly owned business, at least fifty-one percent (51%) of the stock is owned by a minority, woman or service-disabled veteran. Transfer of ownership to or purchase of an existing business by a minority, woman, or service-disabled veteran by a non-minority who remains actively involved in the operation of the business does not qualify as a MWDVBE.

4. **Minority–owned Business Enterprise (MBE) -** A business concern in which at least fifty-one percent (51%) of the ownership and control is held by individuals who are members of a minority group and of which at least fifty-one percent (51%) of the net profits accrue to members of a minority group. Such persons include, but are not limited to, Black Americans, Hispanic Americans, Asian Pacific Americans (persons with origins from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the former U.S. Trust Territory of the Pacific Islands (Republic of Palau, the Commonwealth of the Northern Mariana Islands, Republic of the Marshall Islands, Federated States of Micronesia) Laos, Cambodia (Kampuchea), Taiwan, Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru); Subcontinent Asian

   Americans (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands or Nepal); Native Americans (American Indians, Eskimos, Aleuts, and Native Hawaiians); and members of other groups designated by the U. S. Small Business Administration as minorities.

5. **Women-owned Business Enterprise (WBE) -** A business concern which is at least fifty-one percent (51%) owned and controlled by a woman or women; or, in the case of any publicly owned business, at least fifty-one percent (51%) of the stock is owned by a woman or by women. Such women's business enterprise shall further be classified as either minority or non-minority women-owned business, depending upon the greater portion of ownership.

6. **Vietnam Era Veteran-owned Business Enterprise (VBE) -** A business concern that is at least fifty-one percent (51%) owned and controlled, or in the case of a publicly owned business, at least fifty-one percent (51%) of the stock is owned, by an owner or owners who are veterans of the U.S. military, ground, navel, or air service, any part of whose service was during the period August 5, 1964 through May 7, 1975, who (1) served on active duty for a period of more than one hundred and eighty (180) days and were discharged or released with other than a dishonorable discharge, or (2) were discharged or released from active duty because of a service-connected disability. “Vietnam-Era Veteran” also includes any veteran of the U.S. military, ground, navel, or air service who served in the Republic of Vietnam between February 28, 1961 and May 7, 1975.

7. **Service-disabled Veteran-owned Business Enterprise (SDVBE) -** (1) A business concern that is (a) at least fifty-one percent (51%) owned by one or more service-disabled veterans or, in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned by one or more service-disabled veterans or, in the case of a veteran with a permanent and severe disability, the spouse or permanent caregiver of such veteran. (2) “Service-disabled veteran” means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected as defined in 38 U.S.C. 101(16).

8. **Persons with Disabilities-owned Business Enterprise (DBE) -** a business concern that is at least fifty-one percent (51%) owned and controlled, or in the case of a publicly owned business, at least fifty-one percent (51%) of the stock of which is owned by an owner or owners who are disabled as defined by the Americans With Disabilities Act (ADA). This classification can also include agencies that employ fifty-one percent (51%) or more disabled persons.

C. <u>Supplier Diversity Utilization Plan</u>.

1. The Primary Supplier shall submit a Supplier Diversity Utilization Plan (“Plan”) for approval by Verizon prior to the execution of this Agreement. The Plan must include a statement that the Primary Supplier will (i) achieve the MWDVBE Percent Commitment as defined in Section E, below, entitled “Primary Supplier MWDVBE Percent Commitment,” and (ii) report results

utilizing the reporting method described below in Section D, entitled “Reporting.”

2. The list of MWDVBE suppliers to be used by the Primary Supplier in its (Contract-Specific) Plan form shall constitute the following:

(a) A representation by the Primary Supplier to Verizon in regard to the MWDVBE supplier(s) that (a) it intends to use the firm for the work specified in the Plan; (b) on the basis of information known to it and after reasonable inquiry, it believes such MWDVBE supplier(s) to be technically and financially qualified to perform the work specified, and that the firm is available to perform the work; and (c) the MWDVBE supplier(s) identified is currently Certified as an MWDVBE by an authorized certifying body.

(b) A commitment that the Primary Supplier will enter into a contract with each such MWDVBE supplier (or approved substitutes) in accordance with its Plan.

(c) A commitment by the Primary Supplier that it will not substitute a MWDVBE supplier listed in its Plan without prior written notification to Verizon. Unless the Primary Supplier has a reasonable belief that use of a designated MWDVBE supplier will potentially cause personal injury or damage to property, or that such MWDVBE Supplier has engaged in illegal or unethical behavior, no substitution(s) of MWDVBE supplier(s) designated on the Plan form may be made without notifying Verizon in writing, citing the specific reason(s) for substitution.

D. Reporting.

1. The Primary Supplier shall report quarterly MWDVBE expenditures by using the “Prime Supplier MWDVBE Quarterly Report” and reporting format specified on the Verizon website at http://www22.verizon.com/suppliers/. For assistance with such reporting, contact Verizon Supplier Diversity at DSR@verizon.com.

2. The Prime Supplier MWDVBE Quarterly Report shall include a) MWDVBE expenditures specific to Verizon contracts (herein, "Direct Expenditures"); and b) Verizon's prorated share of the Primary Supplier’s non-contract specific MWDVBE expenditures (herein, "Indirect Expenditures"). Verizon's prorated share of such Indirect Expenditures for the applicable calendar quarter shall be equal to the percentage derived from the following formula: Sales to Verizon / Sales to all customers.

3. Such reports shall be submitted by no later than thirty (30) days following the end of each calendar quarter.

4. This report is intended to provide a mechanism to monitor the Prime Supplier’s compliance and progress in achieving its MWDVBE commitments as set forth in this Exhibit.

5. The Primary Supplier will provide:

(a) A list of the name(s) and address(s) of the Certified MWDVBE suppliers the Primary Supplier has identified to be used in support of this Agreement;

(b) A description of the products/services or scope of work performed by MWDVBE suppliers; and

(c) The percentage or volume of contract work performed by each such firm.

E. Primary Supplier MWDVBE Percent Commitment.

The Primary Supplier shall engage the services of Certified MWDVBE suppliers for an amount equivalent to at least seven percent (7%) of dollars spent under this Agreement during the first year of the Term.

F. Primary Supplier Compliance; Standards and Remedies.

1. Compliance Standards. Verizon has the right to determine compliance by the Primary Supplier with the Plan and the MWDVBE Percent Commitments (hereinafter collectively the "MWDVBE Commitments") established in this Exhibit. Verizon may determine that the Primary Supplier is achieving its MWDVBE Commitments by examining reports received from the Primary Supplier, performing on-site inspections, conducting progress meetings regarding work required by the Agreement, contacting involved MWDVBE suppliers, or through other Verizon actions taken in the ordinary course of administering the Agreement.

2. Updates. An annual update of the Primary Supplier's Plan will be required to ensure compliance with this Agreement's provision for continuous year-over-year improvement.

3. Commitments Not Achieved. In the event that the Primary Supplier's MWDVBE Commitments hereunder are not achieved and the Primary Supplier cannot demonstrate to the reasonable satisfaction of Verizon that commercially reasonable efforts were made to accomplish such MWDVBE Commitments, such failure shall constitute default by the Primary Supplier, and Verizon reserves the right and shall have the option to invoke the termination provisions of this Agreement. Such documentary evidence of commercially reasonable efforts shall include but are not limited to a) advertisement in general circulation media, trade publications and small business media soliciting the performance of services of Certified MWDVBE suppliers related to the field of business regarding the products and/or services which are the subject matter of this Agreement; b) written notification to Certified MWDVBE suppliers requesting proposals specific to the products provided for and/or services performed under this Agreement; and c) written acknowledgment that the Certified MWDVBE suppliers' interest in providing such products and/or performing such services is under consideration. The foregoing rights are in addition to, and not in limitation of, any other remedy Verizon may have at law or in equity. Verizon may also require that, upon request, the Primary Supplier submit additional documentation and information concerning the Primary Supplier's

performance in achieving its MWDVBE Commitments and compliance with its Plan.

4. **Cure Period for Commitments Not Achieved.** Should the Primary Supplier continue to fail in achieving the MWDVBE Commitments of this Agreement, including as amended, after having been given notice of such failure to meet its MWDVBE Commitments, and failing to cure such MWDVBE Commitments within thirty (30) days of receiving such notice by achieving its requirements, the Primary Supplier shall be in default and no further cure shall be permitted.

5. **Supplier Report Card.** In addition, the Primary Supplier's ability to achieve its MWDVBE Commitments shall reflect upon and shall contribute to the Primary Supplier's overall grade on the Supplier Report Card or other performance measurement(s).

EXHIBIT F- NONDISCLOSURE AGREEMENT

1. To facilitate discussions, meetings and the conduct of business between the parties with respect to this Agreement, it may be necessary for one party to disclose confidential information to the other. All information of any type or character that is either disclosed to the other party or with which the other party comes into contact shall be considered as the confidential information of the disclosing party including without limitation technical, customer, personnel and/or business information in written, graphic, oral or other tangible or intangible form ("Confidential Information"). Such Confidential Information may include proprietary material as well as material subject to and protected by laws regarding secrecy of communications or trade secrets.

2. Each party acknowledges and agrees as follows:

   a. All Confidential Information acquired by either party from the other shall be and shall remain the exclusive property of the source;

   b. To inform the receiving party, in advance of any disclosure of Confidential Information, in non-confidential and non-proprietary terms, of the nature of the proposed disclosure, and to afford the receiving party the option of declining to receive the Confidential Information;

   c. Information which is disclosed orally shall not be considered Confidential Information unless it is reduced to writing or to a written summary which identifies the specific information to be considered as Confidential Information, and such writing is provided to the receiving party at the time of disclosure or within thirty (30) days;

   d. To receive in confidence any Confidential Information; to use such Confidential Information only for purposes of work, services or analysis related to the matter of mutual interest described above and for other purposes only upon such terms as may be agreed upon between the parties in writing;

   e. To limit access to such Confidential Information to a party's employees, contractors, and agents who (i) have a need to know the Confidential Information in order for such party to participate in the matter of mutual interest described above; and (ii) have also entered into a written agreement with the receiving party which provides the same or greater protections to any Confidential Information provided hereunder. Upon request, Supplier shall provide a copy of such agreements to Verizon; and

   f. At the disclosing party's request, to return promptly to the disclosing party or to destroy any copies of such Confidential Information that is in written, graphic or other tangible form, and provide to the disclosing party a list of all such material destroyed.

3. These obligations do not apply to Confidential Information which, as shown by reasonably documented proof:

   a. Was in the other's possession prior to receipt from the disclosing party; or

   b. Was received by one party in good faith from a third party not subject to a confidential obligation to the other party; or

c.Now is or later becomes publicly known through no breach of confidential obligation by the receiving party; or

d.Is disclosed to a third party by the source without a similar nondisclosure restriction; or

e.Was developed by the receiving party without the developing person(s) having access to any of the Confidential Information received from the other party; or

f. Is authorized in writing by the disclosing party to be released or is designated in writing by that party as no longer being confidential or proprietary.

4. Supplier agrees that either party may disclose Confidential Information to an Affiliate, subject to the terms and conditions set forth herein. For purposes of this Agreement, an Affiliate shall be defined as an entity that controls, is controlled by, or is under common control with such party.

5. Other than as required by law or as set forth in 2(e) or under the Agreement, neither party shall, without the other party's prior written consent, disclose to any person, or make a public announcement of, the existence of discussions or negotiations or any of the terms relating to the matter of mutual interest described above or any Confidential Information.

6. If a party ("Ordered Party") receives a request to disclose any Confidential Information of the other party, whether pursuant to a valid subpoena or an order issued by a court or regulatory body ("Ordering Party"), and on advice of legal counsel that disclosure is required by law, then prior to disclosure, the Ordered Party shall (i) notify the other party of the terms of such request and advice, (ii) cooperate with the other party in taking lawful steps to resist, narrow, or eliminate the need for such disclosure, and (iii) if disclosure is nonetheless required, work with the other party to take into account the other party's reasonable requirements as to its timing, content and manner of making or delivery and use best efforts to obtain a protective order or other binding assurance from the Ordering Party that confidential treatment shall be afforded to such portion of the Confidential Information as is required to be disclosed. The foregoing is without limitation of the other party's ability to seek a protective order or other relief limiting such disclosure; in such a case, the Ordered Party shall cooperate in such efforts by the other party.

7. Supplier acknowledges that the proprietary data, know-how, software or other materials or information obtained from a party under this Agreement may be commodities and/or technical data that may be subject to the Export Administration Regulations (the "EAR") of the United States Department of Commerce as well as trade and economic sanctions subject to the Trading With the Enemy Act (TWEA) and the International Emergency Economic Powers Act (IEEPA) of the Office of Foreign Asset Control within the Department of Commerce, and that any export or re-export thereof must be in compliance with the EAR, TWEA and IEEPA. Each party agrees that it shall not export or re-export, directly or indirectly, either during the term of this Agreement or after its expiration, any commodities and/or technical data (or direct products thereof) provided under this Agreement in any form to destinations in or nationals of Country Groups D:1 or E, as specified in Supplement No. 1 to Part 740 of the EAR, and as modified from time to time by the U.S. Department of Commerce, or to destinations that are otherwise controlled or embargoed under U.S. law in contravention of the EAR or any of the above statutes.

8. It is agreed that a violation of any of the provisions of this Agreement will cause irreparable harm and injury to the non-violating party and that party shall be entitled, in addition to any other rights and remedies it may have at law or in equity, to seek an injunction enjoining and restraining the violating party from doing or continuing to do any such act and any other violations or threatened violations of this Agreement. Absent a showing of willful violation of this Agreement, neither party shall be liable to the other, whether in contract or in tort or otherwise, for special, indirect, incidental or consequential damages including lost income or profits of any kind, even if such party has been advised of the possibility thereof. In no event shall either party be liable to the other for punitive or exemplary damages.

EXHIBIT G
SUMMARY OF VERIZON'S GUIDELINES FOR EVALUATING CRIMINAL RECORD REPORTS

1. Information regarding criminal offenses that is provided by or received about candidates who are under consideration for assignment to provide services to Verizon (the "Candidate") will not necessarily bar their assignment with Verizon. Each Candidate must be considered on a case-by-case basis.

2. If a Candidate has a criminal record, Supplier must determine whether the disclosed criminal conviction will impair the Candidate's ability to successfully perform the services that he/she may be assigned. Thus, a conviction may only be used to disqualify a Candidate from assignment if the criminal conviction is related to the nature of the services that he/she may be assigned to perform for Verizon. When determining whether a Candidate should be disqualified from assignment to Verizon due to a criminal record, Supplier must consider the below Mitigating Factors. Although this is not an exhaustive list of factors, these factors must be evaluated along with any other associated extenuating circumstances.

3. These additional guidelines should be used in combination with the Mitigating Factors listed in Section 4 below:

   - Look at each case individually.
   - Consider each factor and decision point carefully.
   - Consider state law requirements - for example, certain states may not allow consideration of misdemeanor convictions.
   - If additional information is needed, actual court records may be pulled and reviewed prior to making a decision to hire.

   Additionally, consult Supplier's background check supplier or counsel if a Candidate has:

   - Expunged or Sealed Records (Note: certain states do not permit inquiries into expunged or sealed records)
   - Parolee Status
   - Pending Charges/Arrests (Note: certain states do not permit inquiries into arrests that have not resulted in a conviction)
   - Juvenile Records

4. Mitigating Factors

Factors to be Considered	**Decision Points**
Job Relatedness - Nature of job and crime	For all criminal convictions, the nature of the job applied for must be considered. This factor considers the nature and gravity of the offense as it relates to the nature of the position sought. Is the nature of the conviction such that there is a concern for the safety of Verizon employees/customers, protection of company assets, or the confidentiality/sanctity of Verizon records including confidential consumer information? • For jobs involving direct personal contact with customers, other employees, or the public, careful consideration should be given to whether a Candidate convicted of a crime involving violence presents a significant risk to Verizon, its employees or its customers. • Criminal convictions involving integrity, fraud or theft of property could weigh against Candidates applying for positions with financial responsibility (e.g., cash, etc.) and responsibility for handling proprietary and confidential information (e.g., customer &/or employee information).
Age at time of crime	Was the Candidate a teenager or close to one when s/he committed the crime? If the Candidate was a minor at the time of the criminal offense, this could weigh in the Candidate's favor
Efforts at rehabilitation and successful completion of sentencing	If sentencing required probation, community service or other, has the Candidate completed the service?
Time elapsed since conviction or final adjudication	If significant time has elapsed since the crime was committed, this could weigh in the Candidate's favor.

Candidate's explanation of reason crime was committed	If the crime was committed under extenuating circumstances, which would not be present in the workplace, this could weigh in the Candidate's favor. Court records should be pulled and reviewed to validate Candidate's explanation.
Successful employment following criminal conviction	Has the individual held steady employment since the conviction? Satisfactory employment history since the crime was committed could weigh in the Candidate's favor.
Number of criminal convictions	Has the Candidate had additional convictions? If the Candidate is a repeat offender, this could weigh against the Candidate.

CHANGE REQUEST (CR) No 8 to SOW No. 1.

WHEREAS, Verizon Sourcing LLC ("Verizon") and Synchronoss Technologies, Inc. ("Supplier" or "Synchronoss") are parties to an Application Service Provider Agreement dated April 1, 2013, as amended, with the contract number MA-003574-2013 (the "Agreement"); and

WHEREAS, the Parties have entered into Authorization Letters and Statements of Work under the Agreement (collectively, the "SOWs") as follows:

(a) Statement of Work No. 1 (Schedule No. 1 to Authorization Letter # No. 1 attached to the Agreement), as amended (the "SOW No. 1"),

(b) Statement of Work No. 2 (Schedule No. 1 to Authorization Letter # No. 2 providing mobile content transfer functionality) (number AGR-003175-2014) as amended (the "SOW No. 2"), which is terminated and no longer in effect.

(c) Statement of Work No. 3 (Schedule No. 1 to Authorization Letter # No. 3, providing interfaces to the services of Photobucket) (number AGR-004227-2015) (the "SOW No. 3",

(d) Statement of Work No. 4 (Schedule No. 1 to Authorization Letter # No. 4, "Montana Platform") (number AGR-005528-2015), as amended (the "SOW No. 4"),

(e) Statement of Work No. 5 (Schedule No. 1 to Authorization Letter # No. 5, providing an API Program License) (number AGR-000231-2016), as amended (the "SOW No. 5"),

(f) Statement of Work No. 6 (Schedule No. 1 to Authorization Letter # No. 6, "Cloud API Professional Service") (number AGR-000562-2016), as amended (the "SOW No. 6")

(g) Statement of Work No. 7 (Schedule No. 1 to Authorization Letter #7, "Network Contact Software and Support Service") (number AGR-003837-2016) (the "SOW No. 7"), and

(h) Statement of Work No. 8 (Schedule No. 1 to Authorization Letter #8, "Software Release") (number AGR-004329-2016) (the "SOW No. 8").

WHEREAS, the Parties wish to further amend the SOW No. 1 to:

(a) extend the term of SOW No. 1;

(b) modify requirements and terms for Hosting Services under SOW No. 1; and

(c) modify the pricing and fee structure for the Solution and related Professional Services under SOW No. 1.

THERFORE, the Parties hereby agree to amend SOW No. 1 as follows:

A. Section 1.2 is hereby updated to include the following new definitions:

"Free Subscriber" shall mean a Subscriber to Verizon Cloud offering that does not pay a Verizon Cloud service fee and who is otherwise not a Paid Subscriber (as defined below). Such Free Subscriber(s) include but not limited to:

- A Subscriber that participates under a free trial for a limited trial period (such period not to exceed 90 days from the date service is first made available to such Subscriber);
- A Subscriber that is a Verizon Employee/Concession account who has Verizon Cloud Services and who is utilizing media storage. For clarity, "media storage" includes a Subscriber storing any Data Classes (example, photos and videos) that are not a Data Class that is part of NAB which are covered under the NAB Agreement;
- A VOBS (Verizon Online Business Subscriber)/Telco Subscriber who is eligible to use media storage and is not otherwise a Subscriber to Verizon mobile services;

- A Subscriber that is currently obtaining the "MoreEverything" promotion with up to 25GB of storage with media Data Class profile; and
- A Subscriber that is obtaining either the existing 2GB or 5GB promotion with media Data Class profile

For clarity, an account profile of Contacts (Data Class) user only (with no media Data Class profile associated with the account) that does not pay a Verizon Cloud service fee shall not contribute to the Free Subscriber count.

"Paid Subscriber" shall mean a Subscriber to Verizon Cloud where such Subscriber:

- is being billed by Verizon a recurring service fee for Verizon Cloud;
- is being billed by Verizon a service fee for Verizon Cloud services on a "pre-pay" basis for the duration of the period for which the Subscriber was to prepay;
- is being billed by Verizon a fee for a Bundle Offering (as defined below) unless the parties mutually agree in writing that, for a given Bundle Offering, that Subscribers (or a portion or class thereof) on such Bundle Offering shall not be deemed Paid Subscribers.

For the avoidance of doubt, a Subscriber or user need not be enrolled or establish a solutionaccount on Supplier's Cloud Platform to be deemed a Paid Subscriber.

"Bundle Offering" means a service plan, service profile or promotion whereby a fee paid by a Subscriber permits access or use of a group, service plan, service class or 'bundle' of services or features offered by Verizon that includes access or use of Verizon Cloud and the amount payable for Verizon Cloud service is not distinctly itemized or separated from the amounts payable for other services or features for which such Subscriber is eligible to receive. Prior to offering a Bundle Fee, Verizon shall notify Supplier and the Parties shall mutually agree on tracking and reporting for any Subscribers participating under such Bundle Offering. The Parties will mutually agree to the fees for such Bundled Offering.

B. The "Initial Term" in hereby extended and renewed through December 31, 2022. Accordingly, Section 1.3 of SOW No. 1 is deleted in its entirety and replaced with the following:

"This SOW is made and entered into on and as of December 20th, 2013, and shall continue until December 31, 2022 (the "Initial Term"). Thereafter, this SOW shall automatically renew for up to five (5) additional two (2) year periods (each, "Renewal Term"), unless (i) Verizon provides Synchronoss with written notice of its intent not to renew at least ninety (90) days prior to the end of the then-current Initial Term or Renewal Term or (ii) Synchronoss provides Verizon with written notice of its intent not to renew at least twelve (12) months prior to the end of the then-current Initial Term or Renewal Term, as the case may be (each such date, the applicable "Renewal Decision Date"). The "Term of this SOW" shall be the Initial Term, together with Renewal Term(s), if any. For the avoidance of doubt, the license term of the Software under Section 5.2 of the Agreement shall be the Term of this SOW. Except as permitted under the Agreement or this SOW, in any Renewal Term, the terms and conditions in effect for such Renewal Term shall be those in effect for the last year of the Term prior to such renewal."

A. Effective January 1, 2018, Section 4 (Fees and Charges) of SOW No. 1 is hereby deleted in its entirety and replaced with the following:

" 4. Fees and Charges

4.1 Fees and Charges

The fees outlined herein cover the items listed in this SOW No.1. Any additional deliverables not expressly stated shall require a separate Change Request or SOW with terms and conditions agreed upon by the Parties. Fees shall be invoiced and paid in accordance with the Agreement and the fee schedule outlined below. Fees under this SOW No. 1 exclude applicable taxes.

Use of the Content Hub Solution web portal by a given Subscriber within the month shall be considered one Subscriber, regardless of how many different access points are used to interact through the Solution. Registration alone by the Subscriber shall not be sufficient to consider the Device active.

4.2 Content Hub Software Subscription License Fee

(a) Beginning on January 1st 2018, Verizon shall pay a monthly subscription fee for Subscribers, by type of Subscriber (based on such Subscriber being a Paid Subscriber or Free Subscriber in such month) and the "year" of the Initial Term as set forth in Table 4.2a below. At the sole discretion of Verizon, Verizon will install (or have a third party install) the Client Software for the Content Hub Solution on Devices made commercially available by Verizon.

(b) The Content Hub Subscription License Fee shall be paid by Verizon to Supplier monthly in arrears as follows:

Table 4.2a

Year	Price per month per Paid Subscriber for the Year (the "Paid Sub Fee")	Minimum number of Billed Subscribers required in each month of the Year ("Billed Sub Minimum")*	Number of Free Subscribers included in Billed Sub Minimum each month ("Free Sub Allotment")**	Price per month per Free Subscriber for each Free Subscriber in excess of the Free Sub Allotment**
Year 1	$1.95	3,500,000	5,000,000	$1.95
Year 2	$1.32	3,700,000	5,000,000	$1.32
Year 3	$1.22	3,900,000	5,000,000	$1.22
Year 4	$1.16	4,100,000	5,000,000	$1.16
Year 5	$1.10	4,300,000	5,000,000	$1.10

*Such minimum shall not apply until May 1, 2018.

**Such fee shall not apply until May 1, 2018. For clarity, the fee for excess Subscribers over the Free Sub Allotment shall not apply until May 1, 2018.

As used herein:

Each Subscriber for which a license fee is paid under Table 4.2a above in a given month (i.e. those Paid Subscribers in such month plus Free Subscribers over the Free Sub Allotment in such month, if any) shall be called a "Billed Subscriber".

"Year 1" shall mean January 1, 2018 – December 31, 2018
"Year 2" shall mean January 1, 2019 – December 31, 2019
"Year 3" shall mean January 1, 2020 – December 31, 2020
"Year 4" shall mean January 1, 2021 – December 31, 2021
"Year 5" shall mean January 1, 2022 – December 31, 2022

Each of the foregoing may be referred to individually as a "Year".

*For the avoidance of doubt, there is no monthly license fee for Free Subscribers under the Free Subscriber Allotment with any such Free Subscribers being included in the fees paid for the Paid Subscribers. The Paid Sub Fee shall apply to any Free Subscribers in a given month over the Free Subscriber Allotment.

The Paid Sub Fee and Billed Subscriber Minimum include a Solution storage allotment (each month) calculated as follows (the "Monthly Storage Allotment"): 30 GB multiplied by the number of Billed Subscribers in such month.
30 GB per Billed Subscriber per month in 2018
30 GB per Billed Subscriber per month in 2019
30 GB per Billed Subscriber per month in 2020
30 GB per Billed Subscriber per month in 2021
30 GB per Billed Subscriber per month in 2022

Verizon and Synchronoss will review and mutually agree to determine whether to adjust the Monthly Storage Allotment at the end of each calendar year, commencing at the end of 2019
i.e. Revise Monthly Storage Allotment in Dec 2019 for year 2020.

(c) Overage Fees. The following Overage Fees shall apply in addition to the fees set forth in (b) above where Verizon has exceeded the Monthly Storage Allotment.

If, in any given month following the month of April 2018, the total Solution storage exceeds the Monthly Storage Allotment, Verizon shall pay an additional storage fee determined as follows (the "Added Storage Fee"):

(Each GB of storage (for all Subscribers) in excess of the Storage Allotment in such month) x (the applicable GB Overage Charge for the Year in Table 4.2b below)

Table 4.2b

Year	GB Overage Charge
Year 1	$0.025
Year 2	$0.024
Year 3	$0.023
Year 4	$0.022
Year 5 and beyond	$0.021

(d) Minimum Monthly Subscription Fee. If, in any given month following the month of March 2018, actual number of Billed Subscribers is less than the applicable Billed Sub Minimum for such month, Verizon shall pay, in addition to fees paid for actual Billed Subscribers, a fee calculated as follows:

(the applicable Billed Sub Minimum minus the number of actual Billed Subscribers for such month) x (the applicable Paid Sub Fee for such period).

(e) The Paid Sub Fee includes:

- maintenance and support of the Solution as provided in SOW No. 1
- releases of Client Software and Server Software to include Desktop Client Software
- Hosting Services as set forth in Exhibit A to SOW No. 1 to include test environment and the Storage Allotment for Subscribers.
- all Verizon hosted Instance containerization and support as related to SOW #4
- Device Porting for up to 35 (such ports are broken down as follows; new ports of up to fourteen (14) with the remainder attributable to re-port) agreed upon Devices per calendar quarter
- VOBS care support set forth in Section 2.3 “Verizon Telecom Subscriber Support” of SOW 1
- Software testing to include Device, including battery and performance testing, User Acceptance Testing (UAT).

(f) In addition, Verizon shall pay a one-time fee of $30,000,000 (Hosting Conversion Fee) invoiced in 12 monthly installments of $2,500,000 with each installment invoiced on the first business day of each calendar month of 2018. Such fees are due without regard to the number of Subscribers (Free Subscribers and/or Paid Subscribers) and are in addition to the other fees set forth herein and in other SOWs under the Agreement.

Hosting Conversion Fee is a base fee applicable for the conversion of subscription fees from a per Active Subscriber basis to a per Paid Subscriber basis with an Allotment of Free Subscribers, as set forth in this CR No. 8, and is in consideration of change in status of the billable nature of such Subscribers. The Parties agree the Hosting Conversion Fee represents a fair, reasonable and proportionate fee as a consequence of such fee structure conversion.

(g) Reporting. Each calendar month, Supplier shall calculate the Subscription License Fee due to Supplier based on the usage reports defined under this subsection as set forth below.

Supplier shall provide Verizon with a report on the total storage used by Subscribers on the Solution for such month within ten (10) calendar days after the end of each month. Upon Verizon’s receipt of this usage report, Verizon shall publish a consolidated report to Supplier within fifteen (15) calendar days specifying the total number of Paid Subscribers and Free Subscribers on the Content Hub Solution during that month. Verizon and Supplier shall cooperate in determining an automated method within the Solution to identify, track and report monthly on volumes of Paid Subscribers and Free Subscribers.

(h) Annual Review of Storage. By November 30th of each Year, commencing with the Year ending 2019, Supplier shall conduct annual benchmark reviews of available compute and storage platforms across the industry for similar services that are being provided by Supplier hereunder (including but not limited to Amazon Web Services, Google Cloud, Azure), including, but not limited to, storage, features, performance, and published fees. Supplier will promptly share the results of such benchmark review with Verizon. In the event the above benchmark reviews reveals that fees are being provided in the industry for similar services, usage rights, performance metrics and service obligations, purchase commitments and other key terms as are being offered by Supplier hereunder that are lower than the fees paid by Verizon to Supplier at the time of review, the Parties will mutually agree in good faith to determine whether there should be any changes in the Subscription License Fee being paid by Verizon In the event a change in the Subscription License Fee is mutually agreed, the parties will execute a Change Request or amendment thereto.

4.3 Forecasting

Each month that Services are provided under this SOW, the Parties shall mutually agree to a ninety (90) day (“Forecast

Period") forecast (the "CH Forecast") of (i) the volume of new Subscribers and how many of these are Paid Subscribers and Free Subscribers, (ii) anticipated reduction of existing Subscribers, Paid Subscribers and Free Subscribers, (iii) the anticipated aggregate storage volume of such new and reduced Subscribers and (iv) any net change to the aggregate storage or daily Content ingest rate of pre-existing Subscribers (by Instance) anticipated in each month of the Forecast Period in the format specified in Annex 1 (or as otherwise agreed upon by the Parties). The CH Forecast shall be established ninety (90) days prior to the start date of the "Forecast Period". By way of example, such CH Forecast shall be provided on May 1 covering the period of August 1 – October 31. Such forecast shall be used by Supplier to plan and determine if augmentation or change in the capacity of the Hosting Services. In the event that no CH Forecast is provided in a given month, the last month of the prior CH Forecast applicable to such Instance shall be used to determine the last month of current Forecast Period and such forecast shall be deemed to be the CH Forecast for such period.

For Hosting Services, the foregoing CH Forecast shall be used by Synchronoss to determine if augmentation or change in the capacity of the Hosting Services by Supplier is required to meet the volumes in the CH forecast and the SLAs under this SOW as well as determining any changes to Usage Parameters and/or Content Hub Hosting Fees, as applicable. If applicable, Supplier shall provide, using input from Verizon, a revised Usage Parameter document to Verizon and a revised fees, if any, applicable to such change in Usage Parameters for review and input. Any such revised fee (if applicable) and Usage Parameters shall become effective on the date mutually agreed upon by the Parties (allowing reasonable time to implement and test any augmentation or changes) and each shall remain in place until revised in accordance with this section. In the event that the options for Usage Parameters and any change in fee are not accepted by Verizon, the then current Usage Parameters and fees shall remain in effect until revised by the Parties as set forth herein and Synchronoss shall have no liability for any failure or delay resulting from insufficient capacity to meet Subscriber use materially in excess of the then current Usage Parameters.

In no event may the Usage Parameters (or applicable fee altered as a result of a modification of a Usage Parameter) be modified from a prior level without mutual written agreement by the Parties.

4.4 Change Controls

Notwithstanding anything to the contrary in SOW No. 1 or any attachment or exhibit thereto, items outside the scope of this SOW No. 1 and changes to the Content Hub Solution requested by Verizon (including changes to the Content Hub Software to address changes to Verizon applications or systems or API modification but excluding those changes implemented as part of Solution Software Release Support Services under Exhibit F) shall be subject to a Change Request for professional services with the terms and fees in such request mutually agreed upon by the Parties. Solution API (excluding partner API changes which are provided pursuant to SOW No. 5) support, regular maintenance releases and onboarding of up to two (2) new API partners per calendar month are included in per Subscriber fee. Any such fees are in addition to the fees set forth above.

4.5 Maintenance Fees

The Content Hub Subscription Fees described in Section 4.2 above shall entitle Verizon to "New Versions" of the Content Hub Software. "New Versions" means updates to the Content Hub Software, in object code only, that Synchronoss makes generally available (i.e. not custom-developed for another Synchronoss customer) as part of maintenance support to its licensees who are entitled to maintenance support, including bug fixes, error corrections, patches and updates and enhancements. All latest release versions of software / technology must be made available to Verizon no more than 120 days from initial release.
For the avoidance of doubt, for New Versions that include substantial new functionality that is materially incremental to that functionality identified in Exhibit E ("Major Feature Enhancements"), the Parties shall discuss in good faith to determine whether a fee for the license of such Major Feature Enhancements may be separately charged and mutually agree to such a fee. For example, the Parties may, but shall not be required to, use the following as guidelines in determining whether a New Version is a Major Feature Enhancement:

A. Factors favoring chargeability:
a) more than seven months have elapsed from the commercial launch of the Content Hub;
b) Verizon itself charges (or expects to charge) its Subscribers additional or separate fees attributable to such new functionality; or
c) otherwise obtains material financial benefit from such enhancement (such as material reduction of Verizon Data Service support costs, material reduction in Subscriber attrition or added material sales of related Verizon products or services); or
d) The Major Feature Enhancement requires material new data processing infrastructure, or requires new costs (such as third party licensing costs or material code maintenance support) in performing substantially different functions as those supporting a prior version (i.e. "new" architecture, not merely "more" architecture to support added volumes); or

e)The Major Feature Enhancement allows Verizon to target a Data Service at a different Subscriber class or segment (i.e. business customers) where the characteristics of such new Subscriber class or segment drive incremental requirements, safeguards, compliance steps, etc.

B. Factors favoring non-chargeability (or reduced chargeability):

a) other Supplier licensees receive the Major Feature Enhancements without incremental right-to-use payments, provided: (i) increased payments from such other licensees due to scaling of per-subscriber or usage volume based fees shall not qualify as incremental for this purpose, and (ii) the provision of Major Feature Enhancements that are agreed as non-chargeable may be delayed, but not charged, to Verizon in cases where other Synchronoss licensees within the United States have paid Synchronoss for periods of exclusivity or acceleration with respect to the Major Feature Enhancement);
b) the code base of the New Version of the Software that includes the Major Feature Enhancements substantially overlaps with the code base of a prior version of the Software;
c) the New Version of the Software that includes the Major Feature Enhancements is marketed using the same trademarks, service marks or trade names as a prior version of the Software
d) Verizon can reasonably demonstrate that, other factors contributing to the Content Hub Subscription License Fee volume remaining the same, the Major Feature Enhancement will drive an incremental adoption rate of the Content Hub Solution by Subscribers sufficient to increase Monthly Active Subscriber volumes in quantity where License Fees corresponding to such growth offset any retail fee for such enhancement that would otherwise be charged by Synchronoss to other similar clients.

Notwithstanding the above, Verizon will not be required to pay for any Major Feature Enhancement due to the fact that such Major Feature Enhancement is not technically separable from the applicable New Version, or cannot be disabled within the applicable New Version.

Verizon shall be responsible for any direct end-user support of its Subscribers and for the support of their use of the Content Hub Solution. Where unique Device Porting activities such as development, configuration or testing (i.e. a unique form factor and/or technical limitations not seen on previously preloaded/ported Wireless Devices that require Supplier to undertake additional work it would otherwise not be required to undertake) are required, such activities shall be planned and budgeted through professional services. Device porting (and testing and certification testing) of up to thirty-five (35) models (such ports are broken down as follows; new ports of up to fourteen (14) with the remainder attributable to re-port) agreed upon Devices per calendar quarter are included in Subscription Fees under Section 4.2
C. SNCR to resolve known agreed upon Defects that are Severity 1 or Severity 2 levels (as defined in the Exhibit C, Network Service Level Agreement) in previous/current production releases of Client Software and Server Software releases within thirty (30) days (at no extra cost to Verizon).

D. Section 4.6 of SOW No.1 is hereby deleted in its entirety and replaced with the following;

4.6 Termination for Convenience

4.6.1 Verizon may, upon at least twelve (12) months prior written notice to Synchronoss, terminate this SOW, in whole or in part, for its convenience, provided that Verizon may not deliver such notice earlier than December 31st 2019. No minimums fees or Billed Subscribers shall apply upon Verizon's notice of terminationfor convenience to Sycnhronoss. Verizon shall only pay for the actual number of Billed Subscribers.

4.6.2 **Transition Services**
In the event Verizon exercises its right to terminate for convenience in accordance with Section 4.6.1 above, the Parties agree to develop a plan for Transition Services which will include mutually agreeable fees payable by Verizon to Supplier for such Transition Services. For clarity, where migration services are provided prior to the effective date of termination using Supplier professional services staff that provide Solution Software Release Support Services (i.e. through the regular course of business), such services shall contribute to attainment of any applicable Annual PS Minimum (as hereinafter defined).Verizon will only be responsible for the Transition Services provided by Synchronoss to Verizon to assist Verizon in transitioning to a Verizon internal platform or to a third party supplier of Verizon, at Verizon's discretion.

D. As of January 1, 2018, Exhibit F ("Solution Software Release Support Services") is hereby deleted in its entirety and replaced with the new Exhibit F attached hereto as Attachment 1.

E. Professional services will be provided to Verizon in accordance with Section 5 of Exhibit F below. Verizon commits to using a minimum of $7,000,000 for 2018; for 2019 and each applicable year thereafter during the term of SOW No. 1, Verizon commits to using a minimum of $5,000,000, for professional services reasonably distributed over such Year (each such Year, the "Annual PS Minimum"). Such professional services shall be consumed by Verizon according to an annual support plan agreed upon by the Parties (a) no later than the 90 days prior to the start of such annual period, updated quarterly as agreed upon by the Parties in writing, and (b) with no more than 30% of the estimated hours of such minimum commitment of professional services consumed in any given calendar quarter. Notwithstanding the foregoing, where Supplier is unable to provide professional services due to unavailability of Supplier resources or other breach by Supplier (where Verizon has met its obligations under this SOW No.1 and committed a purchase order to Supplier for such Services) the PS Shortfall Charge (as defined below) shall be reduced by an amount commensurate with such failure to perform. In the event that the actual professional services consumed by Verizon total less than the Annual PS Minimum in a given year, Verizon shall pay Supplier an additional fee equal to the shortfall between the Annual PS Minimum and the actual professional services fees paid by Verizon under Exhibit F during such Year ("PS Shortfall Charge"). Unused professional services under the Annual PS Minimum may be carried forward or used to pay for other professional services, only by mutual written consent. The budget will be determined by the end of Q3 for the following year.

F. Failure to Deliver

For Major releases as identified by Verizon and agreed upon by Supplier in writing (and as identified in the then current project plan), Supplier will provide final approval to roll out the Content Hub Software release supporting the Verizon Cloud application (iOS, Android, Desktop) into production. In the event there are Verizon Customer or system impacting issues after the production rollout caused by such Major release that rise to the level of a Severity 1 incident and require immediate software update to the Client Software, Server Software or both, Verizon will work with Supplier to support the updated release rollout which will include revised Software updates to the impacted Major release ("Maintenance Release-1").

If a failure occurs in such Maintenance Release-1 solely due to an act or omission of Supplier (and/or anyone acting on its behalf), resulting in a Verizon Customer or the Verizon Cloud Platform still experiencing such Severity 1 level issues, Verizon shall be entitled to liquidated damages, as its sole and exclusive remedy for such delay or failure, as outlined below:

i. The Parties agree that Supplier will pay Verizon a performance compensation payment in an amount equal to ten percent (10%) of total feature development/testing professional service fees paid by Verizon for the impacted feature or component giving rise to the Severity 1 issue.
ii. If the issue is not resolved by the implementation into production of the second maintenance release to the impacted Major release ("Maintenance Release-2"), Supplier will pay Verizon a performance compensation payment in an amount equal to twenty percent (20%) of total feature development/testing professional service fees paid by Verizon for the impacted feature or component giving rise to the Severity 1 issue.

G. The following is added to Section 6 (Assumptions) as additional assumption:

"

- Notwithstanding anything herein to the contrary, including, without limitation Exhibit D (Usage Parameters), Supplier is free to close down, reduce, consolidate or otherwise modify the capacity of Instances supported by Supplier as it deems appropriate provided that Supplier will consult with Verizon on any such Instance changes and Supplier will provide Verizon with ninety (90) days' notice prior to the decommissioning of any Instance. Consolidation of Instance will not abrogate or diminish Supplier's obligation to meet service levels under the SOW."

H. This CR shall be effective and binding upon the Parties upon execution by both Parties. Except and only to the extent specifically modified under this CR, all of the terms and conditions of SOW No. 1, is hereby ratified and confirmed and shall remain in full force and effect.

I. Notwithstanding anything to the contrary, pricing under Section 4.2 and the other terms of this CR 8 and SOW No. 1 are subject to Verizon meeting all obligations identified in under Section 14(f) of SOW No. 4 and in the Verizon span of control. In the event that Verizon does not provide the storage, ingest computing and related capacity in accordance with the terms set forth in Section 14(f), Supplier may, acting reasonably, suspend, throttle or otherwise limit use of the Services to offset the unavailability of such capacity (and Supplier shall have no liability to Verizon for any delay, failure or degradation resulting from such failure by Verizon). The Parties will mutually agree should substitute capacity and additional fees be required as a result of such failure. Supplier will not be financially responsible for costs of providing substitute capacity should any such substitute capacity be required.

J. Exhibit H – Termination Fees is hereby deleted in its entirety.

K. Capitalized terms used in this CR shall have the meanings set forth in the Agreement or applicable SOW to such Agreement.

The Parties hereto have caused this CR to be executed by their duly authorized officers or representatives.

VERIZON SOURCING LLC **SYNCHRONOSS TECHNOLOGIES, INC.**

By:{{$sig2}} By:{{$sig1}}

Name: {{_es_:signer2:fullname }} Name: {{_es_:signer1:fullname }}

Title: {{*_es_:signer2:title }} Title: {{*_es_:signer1:title }}

Date: {{_es_:signer2:date }} Date: {{_es_:signer1:date }}

{{#sig1=_es_:signer1:signature}}

{{#sig2=_es_:signer2:signature}}

Attachment 1

Exhibit F - Solution Software Release Support Services (revised 1/1/18)

Exhibit F to SOW No. 1 - Solution Software Release Support Services

1 Definitions

Capitalized terms not defined in the SOW or the Agreement shall have the meaning set forth below.

Content HUB Analytics Dashboard	Means a web-based user interface of the Solution accessed by authorized Verizon personnel, presenting data and analytic information based on the usage of the Solution.
Early Access or EA	A non-production version of the Quarterly Server Software Release provided to Verizon for early access to Software for testing and evaluation of planned changes and modifications as well as for use in planning for final testing and production use of the Software. Such releases are not expected to be used in production and are expected to have updates, additions, modifications and corrections prior to creation of the GA Release.
General Access or GA	A version of the Quarterly Server Software Release that is tested by Synchronoss and provided to Verizon (that includes updates, additions, modifications and corrections to the EA Release) and is intended for deployment and use in a production Instance of the Solution
Quarterly Server Software Release	Means a numbered release of the Server Software with work activity in support of such release conducted in such quarter with a planned availability date in such calendar quarter or subsequent period identified in a mutually agreed upon release plan.

2 Overview and Term

2.1 Overview: The Parties wish to outline the methods and procedures whereby various updates and modifications to Server Software may be agreed upon and planned for release at mutually agreed to delivery intervals. This Exhibit F is intended to describe the method for providing Quarterly Server Software Releases to Verizon as well as various support services in support of Verizon's use of the Solution and its Data Services. As further detailed below in this Exhibit, during the Term of the SOW No.1, Synchronoss shall provide the following professional services, as listed below, to Verizon to provide enhancements and customizations to the Content Hub Software and Content Hub Solution in support of the Verizon Data Service and such Services shall count towards attainment of the Annual PS Minimum:

i. Create, each calendar quarter, one or more documents to provide specifications for changes and modifications to Server Software that are intended for a Quarterly Server Software Release and mutually agreed upon by the Parties for each release.

ii. Make available Quarterly Server Software Releases containing features set forth in the Quarterly Release Document applicable to such release.

iii. Support Services as more fully described in section 3 of this Exhibit F.

2.1 Term: The "Term" for the Services under this Exhibit shall begin on the Effective Date of this Exhibit and be co-terminus with the Term of the SOW No.1. Updates to these support services shall be addressed in the form of a Change Request.

3 Project Scope

3.1 Services

3.1.1 Quarterly Release Documents

3.1.1.1 Quarterly Release Specification Documents

Each quarter, Synchronoss shall work with Verizon to document detailed specifications for enhancements to Content Hub Solution intended to be delivered in a Quarterly Server Software Release (each such document, a "Quarterly Release Document"). These specifications shall include high level specifications planned for the next subsequent Quarterly Server Software Release and detailed specifications for changes and modifications to the Server Software that will be made available in the current Quarterly Software Server Release. (For tracking purposes, Synchronoss shall provide the planned Software Release version numbers for each release in a calendar year) For the avoidance of doubt, such releases are planned releases with a naming convention aligned with work activity in such quarter and the anticipated delivery date of a release shall be set forth in the project plan mutually agreed upon by the Parties (and release date may not be in the calendar for which such release is named).

- The features to be documented in each Quarterly Release Document and the price for the Quarterly Server Software Release will be agreed in advance with Verizon. Quarterly Release Documents shall be mutually agreed upon by the Parties thirty (30) business days prior to the start of each calendar quarter (or other such timeline mutually agreed upon by the Parties that allows for sufficient development time to meet agreed upon release dates). Fees applicable to these Quarterly Release Documents shall be as set forth in table 5.1 below unless otherwise mutually agreed upon by the Parties in writing. If applicable for such release, Wireframes and Prototypes demonstrating user interface and experience for supported Client Software shall be provided by Synchronoss and agreed upon by Verizon as part of such Quarterly Release Documents.
  - Quarterly Release Documents and the final price for the Quarterly Server Software Release will be reviewed and accepted by the Parties using the following approach:
    - i. Initial release candidates (features or changes) to be included in the release shall be agreed upon by the Parties
    - ii. Requirements definition for release candidates is accomplished through joint meetings with Synchronoss and Verizon personnel
    - iii. Quarterly Release Documents in draft form are presented by Synchronoss to Verizon bases on joint meetings identified in (ii) above
    - iv. Synchronoss shall issue a quote for the fees for the applicable release based on specifications in such Quarterly Release Documents
    - v. Feedback on the Quarterly Release Documents and quote shall be obtained from Verizon and the drafts of the documents will then be edited by Synchronoss based on changes in specifications agreed upon by both Parties. A final quote (the "Final Quote") for the release containing such specifications is provided by Synchronoss. The price for such Final Quote shall be within the price range specified under table 5.2 below for such release.
    - vi. The process under (v) above is repeated until both Parties agree upon and accept in writing the final Quarterly Release Document and Verizon agrees upon and accepts in writing the Final Quote for such release. Upon such acceptance by both Parties any requirements in the Quarterly Release Documents shall become Specifications for the applicable Solution release.
    - vii. In the event that the price in the Final Quote for such release is in excess of the range of the price range specified under table 5.2 below for such release, a Change Request to this SOW reflecting the change in the maximum range for such period shall be required.

3.1.2 Quarterly Server Software Releases

For Quarterly Server Software Releases (each as more fully described in the applicable Quarterly Release Documents) in a calendar year, Synchronoss shall provide to Verizon:

- Early Access Release version(s) of such Quarterly Server Software Release for release testing.

- General Access Release version(s) of such Quarterly Server Software Release deployed to the production Instances of the Solution provided under Hosting Services.

Features and customizations to be delivered as part of these releases shall be documented in the Quarterly Release Documents for such release (such documents provided in accordance with Section 3.1.1.1 above).

3.1.3 Quarterly Unified Client Software Releases

For Quarterly Unified Client Software Releases (each as more fully described in the applicable Quarterly Release Documents) in a calendar year, Synchronoss shall provide to Verizon:

- Early Access Release version of such Quarterly Unified Client Software Release for release testing
- General Access Release version of such Quarterly Unified Client Software Release deployed to the appropriate application store for each Client Software as follows;
    - iOS: Apple App Store
    - Android: Google Play Store
    - Blackberry: Blackberry World
    - Windows: Windows Phone Store

Features and customizations to be delivered as part of these releases shall be documented in the Quarterly Release Documents for such release (such documents provided in accordance with Section 5.1.1.1 above).

3.1.4 Support Services

At the beginning of each calendar quarter during the Term of this SOW, Verizon and Synchronoss shall mutually agree, in writing, on the actual tasks, deliverables, milestones, and scope of such support services for such quarter (the "Support Services Scope") as well as the fees applicable to such support scope (such fees to be provided to Verizon in a Final Support Services Quote). Such fee(s) shall be within the price range specified under table 5.1 below for such support. In the event that the price for such support is in excess of the range of the price range specified under table 5.1 below for such support, a Change Request to this SOW reflecting the change in the maximum range for such period shall be required. Support services shall be provided during business hours unless otherwise agreed upon by the parties in the Support Services Scope.

3.1.4.1 Quarterly Verizon 3rd Party Developer Support

Synchronoss will provide professional services to assist Verizon (and its 3rd party developers or partners) with integration support to the Solution APIs. The Synchronoss resources will focus on the following activities for the Verizon Data Service:

i. Update API documentation
ii. Create test accounts
iii. Support Verizon and Verizon 3rd party partner developer questions
iv. Attend Verizon and Verizon 3rd party partner developer meetings pertaining to such Solution APIs

Services are for the each quarter of the Term and are invoiced at the conclusion of the then current quarter. The resources assigned by Synchronoss will provide professional services support to Verizon. The Services provided by Synchronoss and any work products produced by Verizon or third party personnel will be under the direction and quality management of Verizon. The number of Verizon 3rd party partner developers and related activities to be supported in any calendar quarter will be mutually agreed upon by Synchronoss and Verizon.

3.1.4.2 Quarterly Marketing Campaign Support

Synchronoss shall provide professional services to support Verizon marketing campaigns:

- For SMS marketing campaigns, Synchronoss shall support SMS script development, generate batch files, and execute SMS Scripts
- For Verizon email marketing campaigns, Synchronoss shall support batch file generation
- For Verizon Marketing Campaigns, Synchronoss shall provide Solution API customization and development support

Support Services for support of marketing campaigns shall be mutually agreed upon in advance each quarter in the Support Services Scope for such quarter.

3.1.4.3 Quarterly Analytics Support

Synchronoss resources shall work with Verizon to define and mutually agree upon the specifications for enhancements to the Solution dashboard providing reporting on key metrics (the "Analytics Dashboard") and deploy these enhancements to the production instances of the Solution. Quarterly Support Services for Analytics Dashboard enhancements shall be mutually agreed upon in advance each quarter in the Support Services Scope for such quarter.

3.2 Deliverables

3.2.1 Professional Services Deliverables

Synchronoss shall provide the following deliverables for services under this Exhibit F during a given calendar quarter. All documents are subject to review by Verizon within timelines as mutually agreed by the Parties and shall be deemed Supplier Retained Work Product, excluding any Confidential Information of Verizon or Paid Work Product, which shall remain the sole and exclusive property of Verizon, and subject further to Verizon's pre-existing Intellectual Property Rights to the extent set forth in the Agreement. Synchronoss shall use commercially reasonable efforts to incorporate Verizon feedback in such deliverables, subject to the above terms.

Professional Services Deliverable	Description
Deliverables for each calendar quarter	
Quarterly Release Documents and Prototypes	Documents specify the changes in features and behavior of the Content Hub Solution, describing Subscriber and Content Hub Solution system interactions for features and enhancements intended for releases in Software for such quarter.
Quarterly 3rd Party Developer Support	Solution API Specification Documents and creation of test accounts as set forth in Support Services Scope for such quarter.
Quarterly Marketing Campaign Support	Execution of SMS scripts as set forth in Support Services Scope for such quarter.

3.2.2 Solution Deliverables

Synchronoss shall provide access to the following deliverables listed below. For the avoidance of doubt, all such deliverables are part of the Synchronoss Platform or are Synchronoss Background Materials or Supplier Retained Work Products and are owned by Synchronoss.

Solution Deliverable	Description
Deliverables for each calendar quarter	
Quarterly Server Software Release	Synchronoss make available the release of CH Server Software for Production deployment for such calendar quarter.
Quarterly Analytics Support	Synchronoss make available the CH Custom Analytics Software for the Production Instance as set forth in Support Services Scope for such quarter.

4 Schedule for a given calendar year

The schedule below represents Synchronoss anticipated delivery dates for each specified deliverable for a given calendar year of the Term (or renewal thereof), such dates to be incorporated into the initial "Project Plan". All project plan dates and changes thereto shall be mutually agreed upon by Synchronoss and Verizon in writing. The project plan shall be reviewed at least weekly by members of Synchronoss and Verizon, with changes to the plan made by mutual written agreement.

Activity / Deliverable	Target Start (month/day)	Target Finish (month/day)
Q1		
Q1 CH Quarterly Release Documents and Prototypes	01/01	3/31
Q1 CH Quarterly 3rd Party Developer Support, Marketing Campaign Support, Analytics Support Services	01/01	3/31
Q1 CH Quarterly Server Software Release	01/01	3/31
Q1 CH Quarterly Unified Client Software Release	01/01	3/31
Q2		
Q2 CH Quarterly Release Documents and Prototypes	04/01	06/30
Q2 CH Quarterly 3rd Party Developer Support, Marketing Campaign Support, Analytics Support Services	04/01	06/30
Q2 CH Quarterly Server Software Release	04/01	06/30
Q2 CH Quarterly Unified Client Software Release	04/01	06/30

Q3		
Q3 CH Quarterly Release Documents and Prototypes	07/01	09/30
Q3 CH Quarterly 3rd Party Developer Support, Marketing Campaign Support, Analytics Support	07/01	09/30
Q3 CH Quarterly Server Software Release	07/01	09/30
Q3 CH Quarterly Unified Client Software Release	07/01	9/30
Q4		
Q4 CH Quarterly Release Documents and Prototypes	10/1	12/31
Q4 CH Quarterly 3rd Party Developer Support, Marketing Campaign Support, Analytics Support	10/1	12/31
Q4 CH Quarterly Server Software Release	10/1	12/31
Q4 CH Quarterly Unified Client Software Release	10/01	12/31

5 Fees and Charges

Table 5.1 below provides the fee for the Quarterly Release Document deliverable under Section 3.1.2.2 above. Fee ranges for Quarterly Server Software Releases and Support Services under section 5.1.3 are set forth in Table 5.1 below. Any additional deliverables not expressly stated herein or fees in excess of the ranges set forth in table 5.1 shall require a Change Request to the SOW. Fees shall be invoiced in accordance with table below and are payable in accordance with the terms of the Agreement. Fees under this Exhibit exclude applicable taxes.

Fees for services and deliverables under this Exhibit and Quarterly Release Document deliverables
Table 5.1

Deliverable	One-time Fee
CH Quarterly Release Specification Documents and Prototypes	$85,000 to $200,000 for such support (with the actual fee for such quarter as specified in the applicable Final Support Services Quote for such Support Scope and the Purchase Order issued by Verizon)

Fee ranges for Quarterly Server Software Releases and Support Services under Section 3.1.3 above

Table 5.2

Quarterly Deliverable (and invoice terms)	One-time Fee Range
CH Quarterly Verizon and 3rd Party Developer Support, Marketing Campaign Support, Analytics Support (invoiced upon delivery to Verizon)	$50,000 to $500,000 for such support (with the actual fee for such quarter as specified in the applicable Final Support Services Quote for such Support Scope and the Purchase Order issued by Verizon)
CH EA Quarterly Server Software Release (invoiced upon delivery to Verizon)	$150,000 to $1,000,000 in aggregate for the EA and GA releases (with the actual fee for each of the EA and GA releases for such quarter as specified in the applicable Final Quote and Purchase Order issued by Verizon)
CH GA Quarterly Server Software Release (invoiced upon delivery to production environment of Hosting Services)	
CH Quarterly Unified Client Software Release	$200,000 to $1,500,000 in aggregate for the EA and GA releases of the Unified Client Software (with the actual fee for each of the EA and GA releases for such quarter as specified in the applicable Final Quote and Purchase Order issued by Verizon)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 13a-14(a)

I, Glenn Lurie, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Synchronoss Technologies, Inc. for the quarter ended June 30, 2018;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2018

/s/ Glenn Lurie

Glenn Lurie

Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 13a-14(a)

I, David Clark, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Synchronoss Technologies, Inc. for the quarter ended June 30, 2018;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2018

/s/ David Clark

David Clark
Chief Financial Officer & Treasurer

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Synchronoss Technologies, Inc. (the "Company") for the quarter ended June 30, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Glenn Lurie, the Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being provided pursuant to 18 U.S.C. 1350 and is not to be deemed a part of the Report, nor is it to be deemed to be "filed" for any purpose whatsoever.

Date: August 9, 2018

/s/ Glenn Lurie

Glenn Lurie

Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Synchronoss Technologies, Inc. (the "Company") for the quarter ended June 30, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Clark, the Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being provided pursuant to 18 U.S.C. 1350 and is not to be deemed a part of the Report, nor is it to be deemed to be "filed" for any purpose whatsoever.

Date: August 9, 2018

/s/ David Clark

David Clark

Chief Financial Officer & Treasurer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.