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

FORM 8-K

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

Date of Report (Date of earliest event reported): July 19, 2013

AVID TECHNOLOGY, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**0-21174**	**04-2977748**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

75 Network Drive, Burlington, Massachusetts 01803
(Address of Principal Executive Offices) (Zip Code)

(978) 640-6789
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Change in Chief Accounting Officer

Effective July 19, 2013, Karl E. Johnsen ceased to serve as the Company's Vice President of Finance, Chief Accounting Officer and Controller of Avid Technology, Inc. (the "Company") and John W. Frederick, the Company's existing Executive Vice President, Chief Financial Officer and Chief Administrative Officer was appointed interim Principal Accounting Officer of the Company.

The disclosure contained in the Company's Form 8-K filed April 22, 2013 with respect to Mr. Frederick is incorporated herein by reference, and no additional arrangement or understanding with Mr. Frederick was entered into in connection with Mr. Frederick becoming the Company's Principal Accounting Officer.

In connection with Mr. Johnsen's separation, the Company and Mr. Johnsen entered into a consulting and severance agreement (the "Johnsen Agreement") providing for six months' salary continuation, a three month consulting arrangement, and other customary provisions.

The foregoing summary of the material terms of the Johnsen Agreement is qualified in its entirety by the Johnsen Agreement, the form of which is filed as exhibit 10.1 hereto, and incorporated herein by reference.

Adoption of Remediation Bonus Plan

On July 19, 2013, the Company adopted a 2013 Remediation Bonus Plan (the "Bonus Plan") for employees of the Company, as authorized by the Compensation Committee (the "Committee") of the Board. The Committee also designated the officers participating in the Bonus Plan. The Bonus Plan provides for participants to receive individualized cash bonus payments upon the earlier of the filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2012, immediately prior to a change in control of the Company, March 31, 2014 with respect to non-officer participants, and such date on or subsequent to March 31, 2014 as established at the discretion of the Committee with respect to officer participants. The individual cash payments to Participants are subject to approval by the Company's Chief Executive Officer with respect to non-officer participants and the Committee with respect to executive officer participants. A participant ceases to be eligible for a bonus payment pursuant to the Bonus Plan upon ceasing to be an employee of the Company. Aggregate bonus payments pursuant to the Bonus Plan may not exceed $1.7 million.

The foregoing summary of the Bonus Plan is qualified in its entirety by the Bonus Plan, the form of which is filed as exhibit 10.2 hereto, and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

The Company's cash balance on June 30, 2013 was $56.1 million. The Company expects that additional cash expenditures related to the ongoing accounting evaluation (including payments under the Bonus Plan, if any) through the fiscal year ending December 31, 2013 will amount to approximately $11 million to $14 million.

The information included in this item 7.01 is furnished not filed.

Cautionary Note Regarding Forward-Looking Statements

Except for historical information contained in this Form 8-K, this Form 8-K contains forward-looking statements that involve risks and uncertainties, including statements about Avid's anticipated plans, objectives, expectations and intentions. Such statements include, without limitation, statements regarding the estimated costs related to the Company's ongoing accounting evaluation of its current and historical accounting practices and treatment of various items, including Software Updates, and the timing of the completion of such evaluation and the filing of Avid's 2012 Form 10-K and any restatements for prior periods. These forward-looking statements are based on current expectations as of the date of this filing and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including but not limited to: the impact of restatement of financial statements for prior periods; the impact of delays in Avid's completion of its financial statements and the filing of its periodic reports; the impact of the previously disclosed ongoing SEC and Department of Justice inquiries; the impact of the ongoing evaluation and these inquiries on Avid's financial results and financial statements for the quarter ended June 30, 2013 and prior and future periods, including the costs associated with the evaluation and inquiries; Avid's ability to regain compliance with NASDAQ's continued listing requirements; the identified material weakness in Avid's internal controls; recent changes in Avid's management; Avid's ability to execute its strategic plan and meet customer needs; its ability to produce innovative products in response to changing market demand, particularly in the media industry; risks related to litigation; competitive factors; history of losses; fluctuations in its revenue, based on, among other things, Avid's performance in particular geographies or markets, fluctuations in foreign currency exchange rates and seasonal factors; adverse changes in economic conditions; and Avid's liquidity. Moreover, the business may be adversely affected by future legislative, regulatory or tax changes as well as other economic, business and/or competitive factors. The risks included above are not exhaustive. Other factors that could adversely affect Avid's business and prospects are described in the filings made by the Company with the SEC.

Avid expressly disclaims any obligation or undertaking to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*.

Exhibit Number	**Description**
10.1	Consulting and Severance Agreement, dated as of July 19, 2013, by and between Karl Johnsen and Avid Technology, Inc.
10.2	2013 Remediation Bonus Plan, adopted as of July 19, 2013

SIGNATURE

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

AVID TECHNOLOGY, INC.
(Registrant)

Date: July 25, 2013

By: /s/ John W. Frederick
Name: John W. Frederick
Title: Executive Vice President, Chief Financial Officer and Chief Administrative Officer

Exhibit 10.1

CONSULTING AND SEVERANCE AGREEMENT

This CONSULTING AND SEVERANCE AGREEMENT (this "*Agreement*") is made and entered into by and between Avid Technology, Inc., a Delaware corporation (the "*Company*") and Karl E. Johnsen (the "*Consultant*" and together with the Company, the "*Parties*") on July 19, 2013.

WHEREAS, until July 19, 2013, the Consultant served as Vice President, Chief Accounting Officer and Controller of the Company in accordance with the terms set forth in an Offer Letter dated September 24, 2012 (the "*Offer Letter*");

WHEREAS, the Offer Letter provides for certain separation benefits to the Consultant if the Consultant's employment is terminated without Cause (as defined in the Offer Letter) and certain conditions are met;

WHEREAS, the Consultant and the Company wish to set forth the consequences of such termination;

WHEREAS, the Consultant wishes to receive the severance pay provided hereunder, receipt of which is expressly conditioned upon effectiveness of this Agreement; and

WHEREAS, the Consultant and the Company wish to provide for the Consultant's ongoing assistance to the Company as a consultant during the Consulting Period (as defined below).

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this document and the payment of the severance pay hereunder, which shall be paid by the Company to the Consultant in accordance with this Agreement, it is hereby agreed by and between the parties as follows:

1. **Termination, Consulting Period; Consulting Fees.**

(a) Effective on the date of this Agreement, the Consultant's employment with the Company has terminated ("*Separation Date*").

(b) For the period commencing on the Separation Date and three months thereafter (the "*Consulting Period*") the Consultant shall continue to provide services to the Company on a non-exclusive basis. The Consultant shall not be required to commit in excess of 45% of his average working time while an Consultant of the Company to providing services as a non-employee consultant. Such services shall consist of assisting the Company (i) with the ongoing accounting evaluation, (ii) the transition of Consultant's duties, and (iii) with specific projects as directed by the Company's Executive Vice President, Chief Financial Officer and Chief Administrative Officer or Vice President of Finance. The Consultant shall also provide assistance with respect to any investigative, administrative or regulatory proceeding as requested from time to time.

(c) During the Consulting Period, and unless the Parties agree otherwise in writing, the Company shall pay the Consultant a consulting fee of $20,833 per month (such fees, the "*Consulting Fees*"), payable monthly in arrears. The Company shall reimburse the Consultant for all reasonable business expenses incurred by the Consultant during the Consulting Period in connection with providing the consulting services hereunder. The Consultant shall bill the Company monthly for all such expenses (including providing reasonably required documentation of such expenses), which invoices the Company shall pay in accordance with the Company's expense reimbursement policy. The Company shall not withhold or deduct from the Consulting Fee any amount or amounts in respect of income taxes or other employment taxes of any other nature on behalf of the Consultant. The

Consultant shall be solely responsible for the payment of any Federal, state, local or other income and/or self-employment taxes in respect of the compensation described in this *Section 1(c)* and shall hold the Company and its affiliates and their officers, directors and Consultants harmless from any liability arising from the Consultant's failure to comply with the foregoing provisions of this sentence.

(d) Either Party may terminate the Consulting Period at any time on 14 days' prior written notice to the other Party. If the Consulting Period is terminated by the Company for any reason prior to the end of the Consulting Period, the Consultant shall be entitled to (i) payment of the Consulting Fee accrued for the portion of the Consulting Period completed as of the date of termination, (ii) payments for any expenses incurred in accordance with *Section 1(c)*, in each case payable at the regularly scheduled time, and (iii) any Consulting fees that would be due had the original three-month Consulting Period been completed, provided that the Consultant has met all of the eligibility requirements for Severance Benefits described in Sections 2 and 3 below. Except as set forth in *Section 5*, upon termination of the Consulting Period, no other payment shall be due hereunder.

(e) It is understood by the Parties hereto that the Consultant shall at all times during the Consulting Period be an independent contractor with respect to the Company and there shall not be implied any relationship of employer-employee, partnership, joint venture, principal and agent or the like by the agreements contained herein. The Consultant shall not be entitled to participate in any employee benefit plans or other benefits or conditions of employment available to the employees of the Company or its affiliates, except as may be elected by the Executive pursuant to COBRA or as set forth in *Section 5.c* below.

(f) EXCEPT FOR A BREACH OF THE NON-DISCLOSURE AGREEMENT BY THE CONSULTANT, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF DATA, LOSS OF USE, OR LOST PROFIT DAMAGES, ARISING IN CONNECTION WITH CONSULTANT PROVIDING SERVICES TO THE COMPANY PURSUANT TO THE TERMS HEREOF DURING THE CONSULTING PERIOD, REGARDLESS OF WHETHER EITHER PARTY HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES.

2. **Eligibility for Certain Payments and Benefits**. Provided that the Agreement becomes effective in accordance with *Section 3* hereof and that Consultant does not breach any of his obligations to the Company as set forth in this Agreement or the Non-disclosure Agreement, the Parties agree that the Consultant will be entitled to the severance payments and benefits described in *Section 5* hereof (the "*Severance Benefits*"), which shall be paid or provided in such amounts and in such manner as is described in *Section 5* below. If the Agreement does not become effective (i) the Consultant will not be entitled to the Severance Benefits and the Company will only pay Consultant the payments described in *Section 4*, and (ii) the Consultant may elect to continue receiving group medical, dental and vision insurance pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("*COBRA*"), starting in the month after the Separation Date, in which case Consultant shall pay all premium costs on a monthly basis for as long as, and to the extent that, Consultant remains eligible for COBRA continuation.

3. **Effectiveness of Agreement**. This Agreement becomes effective, if Consultant (A) within forty-five (45) days from the Separation Date executes this Agreement and returns it to Company's General Counsel, Chief Administrative Officer or Vice President of Human Resources, and does not revoke the Agreement in writing and sends such revocation to one of the aforementioned officers within seven (7) days from execution and (B) executes the Company's standard form Non-disclosure and

Invention Assignment Agreement ("*Non-disclosure Agreement*"). If the Consultant (i) does not timely execute the Agreement, (ii) timely revokes the Agreement, or (iii) does not timely execute the Non-disclosure Agreement, this Agreement shall be null and void, ab initio and the Consultant will not be entitled to the Severance Benefits.

4. **Accrued Benefits.** No longer than 5 days following the Separation Date, the Company shall pay the Consultant all accrued and unpaid wages and any unused vacation time and/or paid time off accrued through the Separation Date.

5. **Severance Benefits.**

(a) *Salary Continuation*. Subject to the satisfaction of the conditions described in *Section 3*, the Company shall pay the Consultant salary continuation in a lump sum payment of $125,000 within ten (10) business days of the effectiveness of this Agreement.

(b) *Payment in Respect of Bonuses*. Subject to the satisfaction of the conditions described in *Section 3*, the Consultant shall remain eligible for an annual bonus for (i) the fiscal year 2012, and (ii) if an annual executive bonus plan is approved for the fiscal year 2013, for the fiscal year 2013. In each case, such annual bonus shall only be paid if and when such bonuses are approved by the Compensation Committee and are paid to other officers who remain employed with the Company and such bonus shall be pro-rated by the number of months Consultant was employed by the Company during 2012 and 2013.

(c) *Benefits*. Subject to the satisfaction of the conditions described in *Section 3* and to the extent then permitted by applicable law, the Company shall pay the Executive the gross amount of $11,206.91 in full satisfaction of the Company's obligations pursuant to the Offer Letter to continue to cover the Consultant's group medical, dental and vision insurance coverage for six (6) months following the Separation Date, such payment shall be made on the first regular pay date following the effectiveness of this Agreement.

(d) *Treatment of Equity Awards*. All of the Consultant's outstanding unvested equity awards shall be forfeited on the Separation Date.

(e) *Other Matters*. The Consultant hereby acknowledges that, in connection with his termination of employment with the Company or any event subsequent to such termination, the Consultant shall not be entitled to receive from the Company or an affiliate any severance pay or benefits except as described in *Section 4* and this *Section 5* and that the payments and benefits described in this *Section 5* are in full satisfaction of the Company's severance obligations to the Consultant. All payments and benefits referenced hereunder other than the Consulting Fee shall be subject to required tax withholding.

(f) *Outplacement Services***.** Company will provide Consultant with outplacement services with an outplacement firm of the Company's choosing that provides professional job search support services during Consultant's period of eligibility for such services.

(g) *Expense Reimbursement.* Company will reimburse Consultant for any expenses properly claimed for reimbursement under the Company's policies while Consultant was employed by Company.

6. **Offer Letter**. This Agreement supersedes the Offer Letter.

7. **Section 409A**. The Company and the Consultant each hereby affirm that it is their mutual view that the provision of payments and benefits described or referenced herein are exempt from or in compliance with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended and the Treasury regulations relating thereto ("*Section 409A*") and that each party's tax reporting shall be completed in a manner consistent with such view. The Company and the Consultant each agree that upon the Separation Date, the Consultant will experience a "separation from service" for purposes of Section 409A.

8. **Release**. In consideration of the payment of the Severance Benefits and the opportunity to earn Consulting Fees, which Consultant acknowledges Consultant would not otherwise be entitled to receive, Consultant hereby fully, forever, irrevocably and unconditionally releases, remises and discharges the Company, its officers, directors, stockholders, corporate affiliates, subsidiaries, parent companies, agents, assigns, insurers, employees and representatives (each in their individual and corporate capacities, and collectively referred to hereinafter as the "*Released Parties*") from any and all claims, charges, complaints, demands, actions, causes of action, suits, rights, debts, sums of money, costs, accounts, reckonings, covenants, contracts, agreements, promises, doings, omissions, damages, executions, obligations, liabilities, penalties, interest and expenses (including attorneys' fees and costs), of every kind and nature that Consultant ever had or now has against any or all of the Released Parties, whether existing or contingent, known or unknown, including but not limited to: (i) any and all claims arising out of or relating to Consultant's employment with and/or separation from any of the Released Parties (including, without limitation, any tax liabilities applicable to compensation or benefits with respect to such employment and/or separation) or arising out of Consultant's relation in any capacity to any of the Released Parties; (ii) any and all claims under any Federal, state, or local constitution, law, or regulation, including (without limitation) any claims for whistleblowing or retaliation; (iii) any and all claims for discrimination, harassment, or retaliation on any prohibited basis (including claims of age discrimination under the Age Discrimination in Employment Act, 29 U.S.C. §621 et seq. or any other law prohibiting age discrimination); (iv) any and all claims for compensation of any kind whether under any agreement between the parties or under the Massachusetts Wage Act or any other law; (v) any and all contract, tort or common law, statutory or equitable claims including, but not limited to, actions in defamation, intentional infliction of emotional distress, misrepresentation, fraud, wrongful discharge, whistleblowing, and breach of contract; breach of the covenant of good faith and fair dealing; unfair competition; and (vi) any and all claims to any non-vested ownership interest in the Company, contractual or otherwise. This release is intended to be all encompassing and to act as a full and total release of all claims, whether specifically enumerated above or not, that Consultant may have or have had against any or all of the Released Parties up to the date Consultant signs this Agreement but nothing therein prevents Consultant from filing a charge with, cooperating with, or participating in any proceeding before the Equal Employment Opportunity Commission or a state fair employment practices agency (except that Executive acknowledges that Consultant may not be able to recover any monetary benefits in connection with any such claim, charge or proceeding) and provided further, however, that nothing herein is intended to be construed as releasing the Company from any obligation of this Agreement.

Consultant understands and agrees that by entering into this Agreement, Consultant is waiving any and all rights or claims Consultant might have under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act, and that Consultant has received consideration beyond that to which Consultant was previously entitled.

9. **Return of Company Property and Information**. Within five calendar (5) days following the end of the Consulting Period or at such later date as may be agreed to by the Company, Consultant shall return to the Company all materials containing Company Information (as defined below), and any copies, duplicates, reproductions or excerpts thereof, including, but not limited to, documents and memoranda, and all other property belonging to Company which in each case is in Executive's possession or control. The term Company Information as used in this Agreement means (a) confidential information including, without limitation, information received from third parties under confidential conditions; and (b) other technical, business or financial information, which Company regards as confidential and the use or disclosure of which might reasonably be considered to be contrary to the interests of Company.

10. **Cooperation**. The Consultant agrees that to the extent the Company deems Consultant's cooperation necessary, Consultant will cooperate with the Company and its respective counsel in connection with any internal, governmental, or regulatory investigations, and in any litigation, arbitration, or regulatory proceedings brought by or against the Company. Consultant will be entitled to reimbursement of reasonable out-of-pocket expenses (not including counsel fees) incurred in connection with fulfilling Consultant's obligations under this provision, subject to the Company's then-prevailing policies for employee expense reimbursement.

11. **Non-Disparagement.** Consultant agrees that he will not comment in a detrimental fashion, or make any disparaging remarks on any past or current circumstances in regard to his employment (including the termination of his employment) with the Company or about the Company's business affairs or financial condition. This provision, however, will not prevent Consultant from making truthful statements in any internal, governmental, or regulatory investigations, and in any litigation, arbitration, or regulatory proceedings brought by or against the Company or in any other court proceeding when requested to do so.

12. **Compliance with this Agreement's Terms.** The severance payments and other benefits the Company has offered to Consultant, as described in this Agreement, are in excess of the amounts and benefits that Consultant would be otherwise be entitled to receive. The Company's willingness to enter into this Agreement and make such payments and provide such benefits are in consideration of Consultant's agreement to abide by the terms of this Agreement and the Non-disclosure Agreement, particularly the agreements provided herein regarding confidential information, return of company property, non-disparagement and cooperation. If Consultant breaches any of the provisions of this Agreement, the Company shall have the right to cease making the payments and providing the benefits specified above. In addition, Consultant acknowledges that a breach by Consultant of the foregoing provisions relating to confidentiality, return of Avid property, non-disparagement, and cooperation would constitute irreparable harm to the Company for which a remedy at law would be inadequate, and accordingly, Consultant consents to the Company obtaining injunctive relief in the event of any such breach without being required to post a bond. Consultant agrees that if bond is mandated by applicable law, the Consultant will not dispute the Company's request to post only the minimum bond required by such law. Consultant agrees to indemnify and hold the Company harmless from and against any and all loss, cost, damage, or expense, including but not limited to reasonable attorneys' fees incurred by the Company arising out of any action at law or equity or other proceedings the Company finds necessary to enforce the terms covenants or conditions of this Agreement.

13. **Time and Disclosures**. Consultant acknowledges that he has been given at least forty-five (45) days to consider whether to execute this Agreement.

14. **Acknowledgement**. The Consultant acknowledges that:

(a) The Consultant has carefully read all provisions of this Agreement and fully understands what those provisions mean.

(b) The Consultant has been advised by the Company of his or her right to review this Agreement with his legal counsel and other advisors prior to executing it.

(c) The Consultant is entering into this Agreement of the Consultant's own free will and choice, without being pressured, forced or coerced into signing in exchange for good and valuable consideration on the part of the Company. The Consultant is in good health and of sound mind, and there is no reason why the Consultant would be unable to make a knowing and voluntary decision to agree to this Agreement.

(d) The Consultant understands and agrees that if any provision of this Agreement shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid or unenforceable, such judgment shall not affect, impair, or invalidate the remainder of the Agreement, but shall be confined in its operation to the provision of this Agreement directly involved in the controversy in which such judgment shall have been rendered and the remainder of the Agreement shall remain valid and enforceable in accordance with its terms.

15. **No Admission of Wrongdoing**. Nothing herein is to be deemed to constitute an admission of wrongdoing by the Consultant, the Company or any of its affiliates.

16. **Applicable Law.** This Agreement shall be interpreted and construed by the laws of the Commonwealth of Massachusetts without regard to conflict of laws provisions. Consultant hereby irrevocably submits to the jurisdiction of the courts of the Commonwealth of Massachusetts or if appropriate, a federal court located in the Commonwealth of Massachusetts, (which courts, for purposes of this Agreement, are the only courts of competent jurisdiction), over any suit, action or other proceeding arising out of, under or in connection with this Agreement or the subject matter hereof.

17. **Entire Agreement**. This Agreement, together with any confidentiality, non-disclosure, inventions or similar agreement (including the Non-disclosure Agreement) executed by the Consultant with the Company represent the entire agreement of the parties regarding the subject matter hereof. The Consultant represents that, in executing this Agreement, the Consultant has not relied upon any representation or statement made by the Company or any affiliate of the Company, other than those set forth herein, with regard to the subject matter, basis or effect of this Agreement or otherwise.
THE CONSULTANT IS ADVISED TO READ THIS AGREEMENT AND THE RELEASE CONTAINED HEREIN CAREFULLY. THIS AGREEMENT IS A LEGAL DOCUMENT. IT INCLUDES AN AGREEMENT BY THE CONSULTANT TO GIVE UP ALL KNOWN AND UNKNOWN CLAIMS AGAINST THE COMPANY, ITS SUCCESSORS, SUBSIDIARIES AND AFFILIATES (AND THE OTHER RELEASED PARTIES DESCRIBED IN *SECTION 8*).

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Agreement as of the date written below.

AVID TECHNOLOGY, INC.

By: /s/ John W. Frederick Date: July 24, 2013
Name: John W. Frederick
Title: Executive Vice President, Chief Financial Officer and Chief Administrative Officer

/s/ Karl E. Johnsen Date: July 24, 2013
Karl E. Johnsen

Exhibit 10.2

2013 REMEDIATION BONUS PLAN

On July 19, 2013, Avid Technology, Inc. (the "**Company**") adopted this 2013 Remediation Bonus Plan (the "**Plan**") as authorized by the Compensation Committee (the "**Committee**") of the Board of Directors (the "**Board**").

1. PURPOSE OF THE PLAN

The purpose of this Plan is: (i) to advance the interests of the Company's stockholders by enhancing the Company's ability to retain and motivate certain Company employees, and (ii) to reward such employees for their contributions toward the achievement of certain Company goals and their personal performance in respect thereof. Except where the context otherwise requires, the term "**Company**," as used in this Plan, includes any of the Company's present or future parent or subsidiary corporations, as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder, and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board.

2. FINAL AUTHORITY; ADMINISTRATION

The Committee will administer and have final authority on all matters relating to the Plan, except as otherwise set forth herein. The Committee may interpret and construe the Plan, decide any and all matters arising under or in connection with the Plan, and correct any defect, supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent it deems expedient to implement the Plan. Additionally, the Committee may amend, suspend, revoke or terminate the Plan at any time. All bonus payouts under the Plan are subject to prior approval by the Committee in the case of officers of the Company and by the Chief Executive Officer in the case of employees who are not officers of the Company. All decisions by the Committee will be made in the Committee's sole discretion and will be final and binding on all persons having or claiming any interest in the Plan.

To the extent permitted by applicable law, the Committee may delegate to one or more executive officers of the Company the power to grant Bonus Awards and exercise such other powers under the Plan as the Committee may determine. The Committee may not authorize an officer to designate himself or herself as a recipient of any such Bonus Payments and the Committee may not authorize an officer to grant Bonus Payments to other executive officers of the Company.

3. ELIGIBILITY

The Committee shall designate which of the Company's officers and the Company's Chief Executive Officer shall designate which employees who are not officers of the Company participate in the Plan (each a "**Participant**"). A Participant who ceases to be employed by the Company prior to the Bonus Payment Date shall not be eligible for the Bonus Payment to which the Participant would otherwise be eligible to receive. For purposes of the Plan, the following individuals will be deemed to be employed by the Company as of the Bonus Payment Date: (i) any Participant on an approved leave of absence on that date, and (ii) any Participant who becomes disabled and qualifies for benefits under the Company's long-term disability plan prior to and continuing through such date.

4. BONUS PAYMENT AMOUNT

In connection with designating an employee of the Company as a Participant, the Committee, or Chief Executive Officer, as applicable, shall establish a target cash bonus payment (the "**Target Bonus Payment**") to be paid to the Participant, subject to the terms hereof, on the Bonus Payment Date. The actual pay-out amount (the "**Bonus Payment**"), if any, which may be below or in excess of the Target Bonus Payment, shall be determined by the Company's Chief Executive Officer with respect to Participants who are not officers of the Company and by the Committee with respect to Participants who are officers of the Company. The aggregate amount of Bonus Payments pursuant to the Plan shall not exceed One Million Seven Hundred Seventeen Thousand Nine Hundred and Seventy-Seven ($1,717,977.00) ("**Bonus Pool**"). The Committee shall allocate the portion of the Bonus Pool which shall be available for Participants who are not officers and who are officers of the Company, respectively, provided that the Chief Executive Officer may reallocate the portion of the Bonus Pool allocated to officers of the Company to Participants who are not officers of the Company.

5. PAYMENT OF BONUS PAYMENT

The Bonus Payments shall, subject to the terms hereof, be paid to Participants upon the "**Bonus Payment Date**", being the earlier of:

(i) filing by the Company of its Annual Report on Form 10-K with respect to the year ended December 31, 2012 (the "**10-K Filing Date**");

(ii) immediately prior to consummation of a Reorganization Event (as defined in the Company's Amended and Restated 2005 Stock Incentive Plan);

(iii) with respect to Participants who are not officers of the Company (as defined in Rule 16a-1 promulgated pursuant to the Securities Exchange Act of 1934, as amended) as of such date, March 31, 2014; and

(iv) with respect to Participants who are officers of the Company (as defined in Rule 16a-1 promulgated pursuant to the Securities Exchange Act of 1934, as amended) as of March 31, 2014, such date on or subsequent to March 31, 2014 as may be determined in the sole discretion of the Committee.

In no event shall a Bonus Payment Date be subsequent to December 31, 2014, and the Plan shall terminate upon the earlier of (x) all Bonus Payments being made pursuant to the Plan and (y) December 31, 2014.

6. MISCELLANEOUS

6.1 **Tax Considerations**. Neither Company nor any Participant will have the right to accelerate or defer the delivery of any such payments except to the extent permitted or required by Section 409A of the Internal Revenue Code of 1986, as amended ("**Section 409A**"). The Company intends that all actions under this Plan comply with Section 409A and other applicable law. This Plan is intended to comply with the provisions of Section 409A and the Plan must, to the extent practicable, be construed in accordance therewith. Terms defined in the Plan will have the meanings given such terms under Section 409A if and to the extent required to comply with Section 409A. Notwithstanding the foregoing, to the extent that the Plan or any payment hereunder were determined not to comply with Section 409A, then neither Company, nor its designees or

agents will be liable to the Participants or any other person for any actions, decisions, or determinations or any liability incurred under Section 409A, except as otherwise provided in an employment agreement, offer letter or other similar agreement between the Participant and the Company.

6.2 **Other Bonuses and Incentives**. Nothing in this Plan shall limit the discretionary authority of the Board or the Committee to approve and pay out additional or alternative bonuses to Participants (based on performance) or provide Participants additional or alternative incentives outside of the terms of this Plan.

6.3 **No Right to Employment or Other Status**. This Plan shall not be construed as giving any Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with any Participant free from any liability or claim under the Plan, except as may otherwise be provided in the Participant's employment agreement or change-in-control agreement with the Company.

6.4 **Provisions for non-U.S. Participants**. The Company may modify bonus payouts or establish separate procedures for Participants who are non-U.S. nationals or who are employed outside the United States in order to comply with laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, currency, employee benefits or other matters.

6.5 **Governing Law**. This Plan will be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts without giving effect to any choice or conflict of law provision.