

RADISYS CORP
Form 10-K/A
April 29, 2015

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

Form 10-K/A
(Amendment No. 1)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934
For the fiscal year ended December 31, 2014

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 0-26844

RADISYS CORPORATION
(Exact name of registrant as specified in its charter)

| | |
|---|--|
| Oregon | 93-0945232 |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification Number) |
| 5435 N.E. Dawson Creek Drive, Hillsboro, OR | 97124 |
| (Address of principal executive offices) | (Zip Code) |
| Registrant's telephone number, including area code | (503) 615-1100 |

| | |
|---|---|
| Securities registered pursuant to Section 12(b) of the Act: | Name of each exchange on which registered |
| Title of each Class | The NASDAQ Stock Market LLC |
| Common Stock, No Par Value | |
| Securities registered pursuant to Section 12(g) of the Act: | |
| None | |

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 the 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or in any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller Reporting Company

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates (based upon the closing price of the NASDAQ Global Select Market on June 30, 2014 of \$3.49) of the registrant as of June 30, 2014 was approximately \$126,188,960. For purposes of the calculation executive officers, directors and holders of 10% or more of the outstanding common stock are considered affiliates.

Number of shares of common stock outstanding as of April 28, 2015: 36,721,875

DOCUMENTS INCORPORATED BY REFERENCE

None

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this "Amendment") amends Radisys Corporation's (the "Company") Annual Report on Form 10-K for the fiscal year ended December 31, 2014, originally filed with the Securities and Exchange Commission (the "SEC") on February 27, 2015 (the "Original Filing"). We are filing this Amendment to include the information required by Part III of Form 10-K, which was not included in the Original Filing because we planned to include such information in a definitive Proxy Statement. However, we will not file a definitive Proxy Statement with the SEC within 120 days after the end of our fiscal year ended December 31, 2014. Accordingly, such information is included in our Form 10-K by this Amendment.

Except as described above, no other changes have been made to the Original Filing. The Original Filing continues to speak as of the date of the Original Filing, and we have not updated the disclosures contained therein to reflect any events which occurred at a date subsequent to the filing of the Original Filing. In this Amendment, unless context otherwise requires, or as otherwise indicated, "we," "us," "our" and similar terms, as well as references to the "Company" and "Radisys" refer to Radisys Corporation and include all of our consolidated subsidiaries.

RADISYS CORPORATION
FORM 10-K/A
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PART III

Item 10. Directors, Executive Officers and Corporate Governance

Board of Directors

Our Board of Directors currently consists of six members. The directors are elected at the annual meeting of shareholders to serve until the next annual meeting and until their successors are elected and qualified.

Set forth in the table below is the name, age and position with the Company of each of our directors. Additional information about each of the directors is provided below the table and in "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters." There are no family relationships among our directors and executive officers.

| Name | Age | Position |
|----------------------|-----|---|
| C. Scott Gibson | 62 | Chairman of the Board |
| Brian Bronson | 43 | Director, President and Chief Executive Officer |
| Hubert de Pesquidoux | 49 | Director |
| M. Niel Ransom | 65 | Director |
| Lorene K. Steffes | 69 | Director |
| Vincent H. Tobkin | 63 | Director |

C. Scott Gibson has served as a Director since June 1993 and as Chairman of our Board of Directors since October 2002. From January 1983 through February 1992, Mr. Gibson co-founded and served as Chief Financial Officer and Senior VP of Operations, then Executive VP and Chief Operating Officer and finally President and Co-Chief Executive Officer of Sequent Computer Systems, Inc. ("Sequent"), a computer systems company. Before co-founding Sequent, Mr. Gibson served as General Manager, Memory Components Operation, at Intel Corporation. Since March 1992, Mr. Gibson has been a director to high technology companies as his full time occupation. Mr. Gibson serves on the boards of several other companies and non-profit organizations, including Qorvo, Inc., Pixelworks, Inc., NW Natural, and non-profits St. Johns Medical Center, and Community Foundation of Jackson Hole. During the past five years, Mr. Gibson was previously a director of Triquint Semiconductor, Inc. and Verigy, Pty. Each of the boards of directors of the public companies for which Mr. Gibson serves as an audit committee member has determined that he is an "audit committee financial expert" as that term is defined by the rules and regulations of the SEC. Mr. Gibson holds a B.S.E.E. and a M.B.A. from the University of Illinois.

We believe that Mr. Gibson's qualifications to serve as a Director include his extensive experience in the semiconductor and computer systems industries, including co-founding and helping take public a highly successful computer systems company. In addition, his service on boards of other high technology companies, including as a member of audit and compensation committees, gives him financial expertise and understanding of compensation policies as well as extensive organizational leadership skills to assist the CEO with strategic planning.

Brian Bronson joined us in 1999 and has been an officer since 2000. From July 2011 through October 2012, he served as our President and Chief Financial Officer. In October 2012, he was named our Chief Executive Officer and President. He was also appointed to serve as a director by the Board on October 2, 2012. Prior to his being named as our Chief Financial Officer in November 2006, Mr. Bronson held the positions of our Vice President of Finance and Business Development and Treasurer and Chief Accounting Officer. Before joining Radisys, from 1995 to 1999, Mr. Bronson held a number of financial management roles at Tektronix, Inc. where he was responsible for investor relations, finance and accounting functions for both domestic and international operations. Prior to joining Tektronix,

Inc., Mr. Bronson practiced as a Certified Public Accountant with the accounting firm Deloitte and Touche, LLP. Mr. Bronson holds a bachelors degree in Business Administration and Communications from Oregon State University.

We believe that Mr. Bronson's qualifications to serve as a Director include his 19 years of experience in the technology industry, which provides valuable leadership to the Board and to the Company. His 15 years of experience in key positions throughout the Company allows him to provide valuable perspective to the Board on the Company's operations and finances. Mr. Bronson also brings to the Board his experience as a Certified Public Accountant. The Board believes the combination of these experiences provides valuable insight and perspective to the Board.

Hubert de Pesquidoux has served as Director since April 2012. Mr. de Pesquidoux is a former senior executive of Alcatel-Lucent SA, with a 19-year career until 2009. His last position was Chief Financial Officer of Alcatel-Lucent and President of its Enterprise Business Group. Mr. de Pesquidoux was also previously a member of the Alcatel Executive Committee and held various executive positions including President and Chief Executive Officer of Alcatel North America, Chief Executive Officer of Alcatel Canada (formerly Newbridge Networks) and Chief Financial Officer of Alcatel USA. Mr. de Pesquidoux has served as Chairman of the Board for Tekelec. Mr. de Pesquidoux is currently Executive Partner at Siris Capital, a private equity firm focused on making control investments in data/telecom, technology and technology-enabled business service companies in North America. He is the Chairman of the Audit Committee and member of the board of Directors of Sequans Communications S.A, Mavenir Systems, and Criteo SA as well as a member of the Board of Directors of TNS. He is also a member of the UPMC Information Technology Board of Visitors, which advises UPMC on matters generally related to information technology strategy, acquisition and implementation. Mr. de Pesquidoux holds a master's degree in Law, is a graduate of Sciences Po Paris (Finance and Economics) and holds a DESS in International Affairs from Paris Dauphine University.

We believe that Mr. de Pesquidoux' qualifications to serve as director include his over 20 years of experience of financial and operational management in the telecommunications industry in the U.S., Canada and Europe. This experience gives Mr. de Pesquidoux a deep understanding of the high technology industry both on the service provider side and the large to small enterprise side, including knowledge relating to sales and marketing, R&D, finance, IT and supply chain. As an Executive Partner at Siris Capital, Mr. de Pesquidoux brings to the board additional financial and technical expertise. His experience on boards of other companies within our industry, including his former Chairman position at Tekelec, further augment his range of knowledge and understanding of Corporate Governance providing experience on which he can draw while serving as a member of our Board. He also qualifies as an "audit committee financial expert" from his experience as a Chief Financial Officer of a large public company and his professional qualifications which give him enhanced expertise to assist the Board with its financial oversight function.

M. Niel Ransom has served as a Director since August 2010. Mr. Ransom is a principal of Ransomshire Associates, Inc., an advisory firm he founded in 2005. He also serves as a board member of Cyan Inc., a provider of packet-optical transport platforms; Polatis, a provider of high performance optical switch solutions in optical communications; and MultiPhy, a provider of integrated circuits for high-speed optical communications, and Saguna Networks, a provider of mobile edge computing solutions. During the last five years, Mr. Ransom was previously a director of ECI Telecom, a provider of networking infrastructure equipment and Applied Micro, a processor and communication device manufacturer. Previously, as worldwide CTO of Alcatel and a member of its Executive Committee, he was responsible for research, corporate strategy, intellectual property and R&D investment. Prior to that, he directed Alcatel's access and metro optical business in North America. Earlier in his career, he directed the Advanced Technology Systems Center at BellSouth and various development and applied research organizations in voice and data switching at Bell Laboratories. He holds a Ph.D. in electrical engineering from the University of Notre Dame, BSEE and MSEE degrees from Old Dominion University, and an MBA from the University of Chicago.

We believe that Mr. Ransom brings to our Board significant international experience acquired during his service as worldwide CTO of Alcatel. Further, Mr. Ransom's experience at Alcatel enables him to offer valuable perspectives on Radisys' corporate planning and development. As a principal of a private advisory firm, Mr. Ransom brings to the Board significant senior leadership, operational and financial expertise. His board engagements in venture capital-based startups bring valuable insights in emerging technology trends.

Lorene K. Steffes has served as a Director since January 2005. Ms. Steffes is an independent business advisor with executive, business management and technical experience in telecommunications, information technology and high tech industries. From July 1999 to October 2003, she was an executive at IBM Corporation where she served as Vice

President and General Manager, Global Electronics Industry. She was based in Tokyo for a time as IBM Vice President, Asia Pacific responsible for marketing and sales of solutions for the Telecommunications, Media & Entertainment and Energy & Utilities industries. Prior to her assignment in the Asia Pacific region, she was Vice President of software group services for IBM's middleware products. Ms. Steffes was appointed President and Chief Executive Officer of Transarc Corporation, Inc. in 1997. Prior to this appointment, she worked for 15 years in the telecommunications industry at Ameritech, AT&T Bell Laboratories and AT&T Network Systems. Ms. Steffes is a director on the board of PNC Financial Services Corporation and PNC Bank, NA, and a member of Women Corporate Directors (WCD) and the National Association of Corporate Directors (NACD). She was formerly a member of the Northern Illinois University College of Liberal Arts and Sciences advisory board and was formerly a trustee on the Carlow College Board in Pittsburgh. She holds a BS in Mathematics and MS in Computer Science from Northern Illinois University.

We believe that Ms. Steffes's qualifications to serve as a Director include her extensive technical knowledge and background, including telecommunications industry experience. Ms. Steffes's experience as a Chief Executive Officer of a high technology company and as a senior executive with a global technology company has given her an understanding of the financial, operational and other aspects of doing business globally. In addition, her service on boards of other companies gives her a deep understanding of the role of the Board of Directors in the Company's governance and operations, and broad experience in corporate strategy development.

Vincent H. Tobkin has served as a Director since May 2012. Mr. Tobkin is a senior advisor, retired director and global telecom/technology practice leader of Bain & Company, serving from 1992 to 2009. He joined Bain & Company after serving as a general partner and a founder of Sierra Ventures in 1984. He was a partner and consultant with McKinsey and Company from 1976 to 1984. Mr. Tobkin was previously a director and Chairman of Tellabs. Mr. Tobkin holds J.D. and M.B.A. degrees from Harvard University and S.B. and S.M. degrees from the Massachusetts Institute of Technology.

We believe that Mr. Tobkin's qualifications to serve as a director include his vast knowledge of the telecommunications industry and business practices, which will assist the Board and management in focusing on executing strategy. He has public company board experience and has advised public companies and their executives throughout most of his career.

Executive Officers

Set forth in the table below is the name, age and position with the Company of each of our executive officers:

| Name | Age | Position |
|-----------------|-----|---|
| Brian Bronson | 43 | President and Chief Executive Officer |
| Stephen Collins | 51 | Vice President, Global Sales |
| Grant Henderson | 50 | Vice President, MediaEngine and Corporate Marketing |
| Jonathan Wilson | 32 | Chief Financial Officer |

See Brian Bronson's biography above.

Stephen Collins joined us in September 2013 as Vice President, Global Sales. Before joining Radisys, Mr. Collins was the Vice President, Americas Sales with Sonus Networks from 2007 to 2013 where he managed and directed all aspects of the Americas sales organization. Mr. Collins holds a B.A. in Economics from the University of Virginia.

Grant Henderson joined us in September 2006 as Vice President, Product Marketing. He was named an executive officer in January 2014 and is currently our Vice President, MediaEngine and Corporate Marketing. Before joining Radisys, Mr. Henderson was Co-Founder and Executive Vice President of Marketing and Strategy at Conveda Corporation from 2000 to 2006 where he was responsible for the company's marketing, business development and product strategy. He has also held marketing and product management positions at Newbridge Networks, Bell Canada and Telecom Canada/Stentor and has published papers in IEEE Multimedia and IEEE's International Conference on Multimedia Computing and Systems. In addition, he holds a U.S. patent related to IP media processing. Mr. Henderson holds a B.Sc in Computer Science from McMaster University in Canada and has completed postgraduate work at the University of Ottawa.

Jonathan Wilson joined us in May 2011 as our Assistant Corporate Controller. In February 2015, he was named our Chief Financial Officer, VP of Finance and Secretary. Prior to his being named as our Chief Financial Officer, Mr. Wilson held the position of our Director of Finance where he was responsible for the corporate financial planning and

analysis, sales operations, tax, treasury and legal functions. He was also previously our Corporate Controller where he held broad responsibilities which included leading the global accounting organization, SEC reporting, and corporate compliance functions. Prior to joining us, Mr. Wilson practiced as a Certified Public Accountant with the accounting firm KPMG where he worked from August 2005 to May 2011, focused on serving publicly listed software and high tech manufacturing clients. Mr. Wilson holds a B.S. degree in Accounting from Linfield College.

Code of Ethics

Our Board of Directors has adopted a Code of Ethics applicable to each of our directors, officers, employees and agents, including our Chief Executive Officer, Chief Financial Officer, Controller or persons performing similar functions. Our Code of Ethics is available on our website at www.radisys.com under Company/Investors/Corporate Governance.

Director Nomination Process

The Nominating and Governance Committee (the "Nominating Committee") has a policy with regard to consideration of director candidates recommended by shareholders. The Nominating Committee will consider nominees recommended by our shareholders holding no less than 10,000 shares of our common stock continuously for at least 12 months prior to the date of the submission of the recommendation. A shareholder that desires to recommend a candidate for election to our Board of Directors shall direct his or her recommendation in writing to Radisys Corporation, Attention: Corporate Secretary, 5435 NE Dawson Creek Drive, Hillsboro, Oregon 97124. The recommendation must include the candidate's name, home and business contact information, detailed biographical data and qualifications, information regarding any relationships between us and the candidate within the last three years and evidence of the recommending shareholder's ownership of our common stock. In addition, the recommendation shall also contain a statement from the recommending shareholder in support of the candidate, professional references, particularly within the context of those relevant to membership on our Board of Directors, including issues of character, judgment, diversity, age, independence, expertise, corporate experience, length of service, other commitments and the like, personal references and a written indication by the candidate of his or her willingness to serve, if elected. On April 14, 2015, the Company announced that the Nominating Committee had commenced a search for a new director candidate with target customer contacts and technical expertise to help accelerate the Company's new FlowEngine product strategy.

Audit Committee Matters

We maintain an Audit Committee consisting of Hubert de Pesquidoux as Chairman, C. Scott Gibson and Lorene K. Steffes. All of the members of the Audit Committee are "independent directors" within the meaning of the Nasdaq listing standards and Rule 10A-3 of the Exchange Act. In addition, our Board of Directors has determined that two members of the Audit Committee, Hubert de Pesquidoux and C. Scott Gibson, qualify as "audit committee financial experts" as defined by the SEC in Item 407(d)(5) of Regulation S-K promulgated under the Securities Act and are independent within the meaning of Rule 10A-3 of the Exchange Act. Mr. de Pesquidoux qualifies as an audit committee financial expert by virtue of his long service in a number of senior executive positions over 20 years at Alcatel-Lucent and its subsidiaries, including Chief Executive Officer, President and Chief Financial Officer. Mr. de Pesquidoux also serves on the audit committees of Sequans Communications S.A. and Mavenir Systems. Additionally, Mr. de Pesquidoux holds a master's degree in business law from Nancy Law University, is a graduate of the Institute for Political Studies (Sciences Po Paris) with a master's degree in Economics and Finance and holds a master's degree in International Finance from Paris Dauphine University. C. Scott Gibson qualifies as an audit committee financial expert by virtue of his service on our audit committee since 1993, the audit committee of Pixelworks, Inc. since 2002, the audit committee of Qorvo, Inc. since 1992 and past service on the audit committees of Inference Corp., Integrated Measurement Systems and Verigy, Pty. Additionally, Mr. Gibson received an M.B.A. in Finance from the University of Illinois in 1976 and served as CFO and Senior VP of Operations for Sequent Computer Systems from 1983 to 1984. Further, from 1985 to 1988, the CFO of Sequent Computer Systems reported to Mr. Gibson. Mr. Gibson has significant audit committee educational experience, including speaking at several KPMG audit committee forums. Our Audit Committee assists our Board of Directors in fulfilling its oversight responsibilities relating to corporate accounting, our reporting practices and the quality and integrity of our financial reports; oversight of audit and financial risk; compliance with law and the maintenance of our ethical standards; and

the effectiveness of our internal controls. The full responsibilities of our Audit Committee are set forth in its charter, a copy of which can be found on our website at www.radisys.com under Company/Investors/Corporate Governance. Our Audit Committee met nine times in the last fiscal year.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who own more than 10% of our outstanding common stock to file with the SEC reports of changes in ownership of the common stock of the Company held by such persons. Officers, directors and greater than 10% shareholders are also required to furnish the Company with copies of all forms they file under this regulation. To the Company's knowledge, based solely on a review of the copies of the reports received by the Company during and with respect to fiscal year 2014 and on written representations of certain reporting persons, no director, executive officer or beneficial owner of more than 10% of the outstanding common stock of the Company failed to file, on a timely basis, reports required by Section 16(a) of the Exchange Act.

Certifications

Certifications of our Chief Executive Officer and Chief Financial Officer, pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002, were filed with the Original Filing. Currently dated certifications pursuant to Section 302, as required by the SEC, are attached to this Amendment.

Item 11. Executive Compensation

Executive Officer Compensation

Executive Compensation Discussion and Analysis (CD&A)

Radisys Corporation (the “Company”) made significant progress in the continued transformation of its business throughout 2014. The Company returned to non-GAAP profitability in the second half of 2014, announced key strategic decisions to increase focus on its growing high margin Software-Systems product lines while also narrowing the Embedded Products and Hardware Services efforts to only those key customers with the volume, profitability profile and strategic fit that will enable desired levels of profitability and cash generation. The Company believes these changes will lead to non-GAAP profitability throughout 2015, enable 10% to 20% growth in 2015 Software-Systems segment revenue and ultimately return the overall company to profitable revenue growth and increased shareholder value.

The Company continued to experience legacy revenue challenges throughout 2014 as carriers have evolved the manner in which they deploy assets in support of next generation telecommunications networks and other supported customer applications. Specifically, audio conferencing applications have begun to utilize existing network infrastructure to compete against over-the-top (OTT) applications or have begun leveraging cloud based assets to deliver customer audio conferencing solutions. Both of these trends have reduced the demand for our high margin audio conferencing assets. Additionally, increased capabilities of generic compute power have shifted telecommunications equipment purchases away from application specific hardware to generic cloud based architectures that leverage standards-based technologies which adversely affected demand for our ATCA products. These trends resulted in revenue challenges that adversely impacted 2014 financial performance. In response to these trends, management has defined and been executing a strategic and operational plan focused in the following areas:

- FlowEngine products that optimize the efficient distribution of data processing through standards based architectures such as SDN and NFV.

- MediaEngine products that leverage our media processing capabilities in the VoLTE market as carriers seek to enable voice and enhanced service capabilities in LTE networks.

- CellEngine products that enable carriers to optimize both wireless coverage and spectrum utilization in both 3G and LTE networks.

- Embedded Products which focuses only on those customers with the volume, profitability profile and strategic fit that will ensure desired levels of profitability and cash generation.

Over the last two years ending December 31, 2014, the Company explored a number of strategic alternatives to unlock shareholder value. This included a sale of the whole Company and the sale of one or more product lines or business units. The various processes did not result in an outcome that would be reasonably likely to provide greater shareholder value than the current and potential value of the Company. As of January 1, 2015, the Company concluded the last process and the Board and management are now 100% focused on executing the strategic plan

announced in a Form 8-K on February 3, 2015.

The Compensation & Development Committee (the “Committee”) believes the continued progress by the executive team in driving the above strategic initiatives led to improved second half 2014 financial performance and has positioned the Company for continued improvement in 2015. Therefore, in order to more closely align to the Company’s strategic direction and shareholder interests, and to retain and motivate essential executive team members necessary to complete the strategic transformation, the Committee critically reviewed all aspects of the executive compensation program and significantly shifted the approach for 2015. The resulting program maintains competitive base pay levels, aligns short term incentive compensation to the achievement of Software-Systems revenue growth and Embedded Products cash flows, and aligns long term equity incentive targets to the achievement of certain levels of stock price appreciation. Each element of the 2015 executive compensation program is further discussed in the appropriate section to provide more clarity.

Compensation Philosophy

As the Company progressed through the strategic transformation process, the Committee maintained a strong pay-for-performance philosophy that is competitive with other similarly sized technology companies. In addition, the Committee set clear guiding principles for executive compensation programs to ensure strategic alignment with the business direction with a focus on building shareholder value, providing motivation and incentive for stretch performance and retention and simplicity of plan designs. The Company's executive compensation programs are designed to reflect the following key objectives:

To attract and retain executives needed to achieve the Company's business objectives. This objective is achieved through no less than annual reviews of executive total compensation and benefit programs to ensure market competitiveness.

To substantially link executive compensation with the achievement of near-term operating plans. This is achieved through variable compensation programs which are directly aligned to key operating goals such as Software-Systems revenue growth and levels of full Company profitability/cash flow.

To provide the opportunity for additional variable compensation through the achievement of longer-term strategic objectives and the creation of shareholder value. This is achieved through the issuance of awards under equity-based compensation programs and includes the use of performance-based shares with vesting dimensions tied to stock price appreciation.

The Committee believes the amount of variable or "at risk" compensation tied to meeting company objectives should increase as a percentage of an executive's overall compensation as the executive's level of responsibility increases. An executive's target compensation is based on his/her job scope and level of responsibility, with a large portion of the opportunity tied to Company performance and shareholder return. We believe the Company's balance between base salary and both short and long-term variable compensation is competitive with other similar companies in the industry peer group.

Pay for Performance

The Company targets to deliver above market compensation for above market company performance and below market compensation for below market company performance, resulting in executive compensation increasing or decreasing based on the overall performance of the Company. When determining the targets for executive variable compensation, the Committee selects metrics that it believes are most closely tied to the market's expectation of both near-term financial objectives and those strategic goals necessary for long-term success. In 2014, variable cash compensation was contingent upon the achievement of non-GAAP operating income targets, while performance-based equity vesting was dependent upon achievement of key strategic objectives that the Committee believes are fundamental in preparing the Company for financial success in 2015 and beyond.

The link between pay and performance is highlighted by the trends in the Chief Executive Officer's compensation below. The Chief Executive Officer's total actual and potential compensation (sum of annual base pay, variable cash compensation earned, actual equity awards released/outstanding, and Long-Term Incentive Plan (as amended and restated, the "LTIP") awards has generally been reflective of stock price over the last five years. More than 50% of the Chief Executive Officer's compensation has been tied to Company performance for the periods presented below. The overall increase in CEO pay in 2013 over 2012 is primarily due to the achievement of 2013 strategic initiatives that has led to improved second half 2014 financial performance and that we expect will continue to positively affect the financial results of the company in 2015 and beyond.

“Annual Base”- means the annual base salary effective at year-end.

“Variable”- means the total short-term cash incentive awards earned during the calendar plan year. For Mr. Dagenais, only his bonus payment for performance during the 2nd half of 2011, after the Continuous Computing acquisition, is included. For Mr. Grout, both 1st & 2nd half bonus payments are included for 2011.

“Actual Equity” - means the value of equity awards (other than LTIP) outstanding at year-end. For RSUs, such value is the value of unvested RSUs outstanding at year-end. For stock options (vested and unvested), such value is the difference between an option's strike price and the stock price at year-end; if an option's strike price is below the year-end stock price, the value of the option is \$0.

“CCPU Assumed Shares” - means those unvested shares issued by Continuous Computing which were converted and assumed by the Company on the acquisition date.

“LTIP” - means the value of Long-Term Incentive Plan (as amended and restated) awards which are designed to be paid when the indicated performance targets are achieved within the applicable performance periods. Such value is the value at year-end of the shares earned and released under the plan during 2013 and 2014.

“Stock Price” - means the closing stock price on the last day of the calendar year.

For a comparison of the Company stock performance relative to the NASDAQ Composite and other composites at the end of each calendar year, please refer to the table below.

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Section II: Elements of Executive Compensation

The following table outlines elements of direct compensation of executives in 2014 and how it aligns with the Company's philosophy and business strategy.

| Compensation Element | What is Rewarded | How it aligns with Strategic Objectives | Fixed or Variable / Performance Related |
|---|---|---|---|
| Base Salary | Skills and abilities critical to success of the business | Competitive base salaries enable the attraction and retention of talent | Fixed / Merit Increases are Performance-Related |
| | Experience and performance against individual objectives | Merit-based salary increases reflect pay for performance philosophy | |
| | Demonstrated success in meeting or exceeding key financial and other business objectives | | |
| Variable Compensation (short-term incentives) | Variable Compensation Plan: Organizational performance during the year measured by achievement in respect of pre-defined profitability goals | Payout of awards depends on ability to fund and individual and organizational performance | Variable / Performance-Related |
| | Individual performance during the year measured against identified goals and objectives | Competitive, market-based variable incentive targets enables the attraction and retention of talent | |
| | Sales Incentive Plan: Performance during the year measured by achievement with respect to pre-defined revenue and design win goals | Payout is dependent upon overall sales organization performance | |
| Equity Compensation (long-term incentives) | Stock Options: Increase in stock price Retention | Value results from stock price increases | Variable / Performance-Related |
| | Restricted Share Units ("RSUs"): Increase in stock price Retention | Vesting schedule supports retention Although RSUs always have value, the value increases or decreases as the stock price increase or decreases | Variable / Performance-Related |
| | Performance Based Awards (LTIP / Overlay): | Vesting schedule supports retention Payout is based on metrics important to shareholders | Variable / Performance-Related |

| | |
|---|---|
| Performance relative to pre-determined strategic and financial goals (product delivery, market penetration, long-term growth/design wins and operational/financial metrics) | Performance period spans 1-2 years and supports retention |
|---|---|

The Company no longer provides executives with indirect compensation.

Executives are provided with the same benefit options as those provided to other employees in the same location. The U.S. based employee benefit program includes medical, dental and vision plans, an Employee Stock Purchase Plan ("ESPP"), a 401(k) plan, tuition reimbursement, life insurance and short and long-term disability coverage.

During 2013, the Board of Directors approved the termination of the Radisys Corporation Deferred Compensation Plan (the "Deferred Compensation Plan"), including in respect of deferrals of compensation under the Deferred Compensation Plan prior to January 1, 2005 (such portion of the Deferred Compensation Plan, the "Grandfathered Plan"). The Deferred Compensation Plan (other than in respect of the Grandfathered Plan) was terminated effective August 31, 2013 and the Grandfathered Plan was terminated effective September 1, 2014. The distribution of plan assets and participant balances began in September 2014 and continued through January 2015. Participants with an account balance in the Grandfathered Plan were paid out in the form designated by the participant at the time of deferral. All other account balances under the Deferred Compensation Plan were paid out in a lump sum in September 2014.

See "Narrative Disclosure Describing Material Factors - 2014 Nonqualified Deferred Compensation Plan Table" under Summary Compensation Table for additional information regarding the termination of the Deferred Compensation Plan.

Executives do not receive any special perquisites such as club memberships, pension plans, automobile allowances or dwellings for personal use. Relocation packages to newly hired executives and other newly hired employees are defined within the Company's hiring policy and are based on standard market practices for executive-level relocation.

Section III: Compensation Determinations

2014 Individual Compensation Changes - In January 2014, the Committee approved compensation changes for Mr. Henderson in conjunction with his increased scope of role of Vice President of Marketing and Product Management.

In December 2014, in conjunction with the annual merit review process for North America employees and the annual executive compensation review process, the Committee approved a compensation adjustment to base pay and variable compensation targets for Mr. Muhich.

The table below reflects approximate compensation market percentiles¹ of each compensation element for each Named Executive Officer (“NEO”).

| Named Executive Officer ² | Last Pay Change Date | Base Salary | Target Variable (% of Pay) ³ | Target Total Cash Comp | Actual Total Cash Comp | Comments |
|--|----------------------|-------------------------------------|--|-------------------------------------|------------------------|---|
| Brian Bronson, Chief Executive Officer | June 2013 | 50 th | 50 th | 50 th - 75 th | <25 th | Merit adjustment effective June 1, 2013 |
| Allen Muhich, Chief Financial Officer ⁴ | July 2014 | 25 th | 50 th | 25 th - 50 th | <25 th | Variable incentive change effective July 1, 2014 |
| | December 2014 | 25 th | 50 th | 25 th - 50 th | <25 th | Merit increase effective December 8, 2014 |
| Stephen Collins, Vice President, Global Sales | September 2013 | 25 th - 50 th | 25 th - 50 th ⁵ | 25 th - 50 th | <25 th | Vice President, Global Sales hired September 30, 2013 |
| Keate Despain, Vice President & GM ⁶ | January 2014 | 50 th - 75 th | 75 th | 50 th - 75 th | <25 th | Role change to Vice President, Business Development January 1, 2014 |
| Grant Henderson, Vice President, MediaEngine & Corporate Marketing | January 2014 | 50 th | 50 th | 50 th | <25 th | Increased scope of role effective January 17, 2014 |

¹ Market percentiles are approximate based on 2014 benchmark data as further explained in Section IV below.

² Reflects January 2014 job title.

³ Target Variable excludes the targeted supplemental incentive described under Short-Term Incentive Plans below.

⁴ Mr. Muhich was no longer an executive officer as of February 17, 2015, and he resigned from the Company effective March 6, 2015.

⁵ Mr. Collins receives a portion of his Target Variable pay under the Company's Variable compensation Plan and a portion under the Sales Incentive Plan.

⁶ Mr. Despain was no longer an executive officer as of January 17, 2014 and his employment ceased on February 6, 2015.

Short-Term Incentive Plans

The 2014 Variable Compensation Plan was designed to support the Company's pay for performance philosophy and motivate and compensate executives for the achievement of planned profitability and other pre-approved management by objective (“MBO”) goals. To meet its stated philosophy, the Committee utilized non-GAAP operating income targets as the primary measure by which to establish variable compensation funding. Actual non-GAAP operating income achievement against those targets determined 2014 funding with over or under achievement resulting in higher or lower funding based upon a pre-established linear relationship, subject to the Committee's discretion to increase or decrease funding. In addition, a minimum level of non-GAAP operating income, or threshold, for 2014 was required to be met to begin funding.

The 2014 non-GAAP operating income target (which would have resulted in 100% variable compensation funding) was set at \$9.9 million with a threshold (below which there would be \$0 variable compensation funding) of \$6.2 million and a maximum (at which would result in 200% variable compensation funding) target of \$14.4 million.

Actual 2014 non-GAAP operating results generated a loss of \$3.7 million due to the material decline in legacy product revenues, below the pre-determined threshold level, and therefore \$0 variable compensation funding was earned and no payments were made to management.

The table below summarizes the 2014 Variable Compensation Plan payout for each NEO.

| Named Executive Officer | Actual Payout 2014 | |
|-------------------------|--------------------|--------------|
| | Payout | % Attainment |
| Brian Bronson | \$0 | 0% |
| Allen Muhich | \$0 | 0% |
| Stephen Collins | \$0 | 0% |
| Keate Despain | \$0 | 0% |
| Grant Henderson | \$0 | 0% |

The 2015 Variable Compensation Plan is reflective of the Committee's continued desire to align management compensation with the achievement of metrics that are believed to most closely align with shareholder interests. Subject to the Committee's discretion to adjust awards, the 2015 Variable Compensation Plan will fund 100% per quarter based upon the achievement of post-variable compensation cash flow from the Company's Embedded Products and Hardware Services operating segment with the opportunity to earn variable compensation beginning in the second quarter of 2015. A threshold for each quarterly payout has been set below which \$0 funding is available, and a maximum of 125% funding is available. The following table summarizes the threshold, target and maximum Embedded Products and Hardware Services post-variable compensation cash flow objectives and the corresponding management variable compensation opportunity.

Embedded Products - Cash Flow (\$ in millions)

| | Q1 | Q2 | Q3 | Q4 | 2015 |
|-----------|--------|--------|--------|--------|---------|
| Threshold | \$2.50 | \$3.00 | \$2.25 | \$2.25 | \$10.00 |
| % Payout | | 20% | 20% | 20% | |
| Target | \$3.70 | \$4.60 | \$3.40 | \$3.30 | \$15.00 |
| % Payout | | 100% | 100% | 100% | |
| Maximum | \$4.60 | \$5.75 | \$4.25 | \$4.15 | \$18.75 |
| % Payout | | 125% | 125% | 125% | |

Further, and again subject to the Committee's discretion to adjust awards, an additional 75% of management's variable compensation target will be funded based upon the achievement of 2015 Software-Systems operating segment revenue growth in the first half of 2015 and the second half of 2015 and paid semi-annually in August 2015 and February 2016. The following schedule summarizes the threshold, target and maximum Software-Systems revenue objectives and the corresponding management variable compensation opportunity.

Software-Systems - Revenue (\$ in millions)

| | 1st Half 2015 | 2nd Half 2015 | 2015 |
|-----------|---------------|---------------|---------|
| Threshold | \$18.50 | \$22.50 | \$41.00 |
| % Payout | 20% | 20% | |
| Target | \$20.50 | \$27.50 | \$48.00 |
| % Payout | 100% | 100% | |
| Maximum | \$21.50 | \$28.50 | \$50.00 |
| % Payout | 125% | 125% | |

Taken together, management has the opportunity to earn 150% of their annual variable compensation target; 50% through the achievement of post-variable compensation cash flow objectives for Q2 through Q4 of 2015 Embedded Products and Hardware Services and 50% through the achievement of maximum revenue objectives for Q2 through Q4 of 2015 Software-

Systems. Additionally, on April 9, 2015, the Committee exercised its discretion to award a variable compensation payout at 25% of the quarterly target amount because the Company significantly exceeded the performance targets for the first quarter of 2015 that would have been in effect if the plan had been adopted at the beginning of the year.

A Sales Incentive Plan was in place for Mr. Collins for 2014. The sales incentive plan makes up 50% of his total target incentive compensation, the other 50% was eligible to be earned via the Variable Compensation Plan (as described above).

Mr. Collins' 2014 sales incentive plan quota targets were established by the Committee as follows: 50% for the achievement against a Company revenue quota of \$220 million and 50% against the achievement of Trillium Software-Solutions bookings of \$24 million and overall Company design win points of 180, which are aligned with the high end of market expectations for the Company in each of these areas. Mr. Collins' overall sales incentive plan payout for 2014 was at 81% attainment. Softness in Embedded Products design win performance was partially offset by above plan MediaEngine design win performance.

| Named Executive Officer | Actual 2014 Sales Incentive Plan Payout | % Attainment |
|-------------------------|---|--------------|
| Stephen Collins | \$73,285 | 81% |

In 2015, Mr. Collins variable compensation opportunity will be funded in accordance with the 2015 variable compensation plan described above.

Long-Term Incentive Plans

Equity continues to be a substantial component of the Company's compensation strategy and is intended to attract, retain and motivate key talent to achieve the Company's strategic objectives. In support of these strategic objectives, a combination of performance and time-based shares are utilized.

Annual Equity Refresher - There was no annual refresher grant implemented in 2014.

Overlay Grants - An overlay grant was made effective September 4, 2012 for executives and certain key individuals to provide focus to the achievement of near-term strategic objectives. The overlay grants were performance-based RSU awards with quarterly performance metrics covering the period September 1, 2012 through December 31, 2013. RSUs were earned quarterly based upon the achievement of specific near-term product delivery, design win and operational performance metrics. The payout of any given quarterly performance period could be up to 116% of target amounts if all performance objectives were met at maximum achievement levels.

First half 2013 performance targets were weighted one third each between aggressive new product delivery milestones required to meet customer roadmaps, design win achievement levels and operational objectives that were focused on improving overall working capital levels. Second half 2013 performance targets were weighted 50% on meeting stretch market penetration and new product delivery milestones required to meet customer roadmaps and 50% on meeting the Company's aggressive cost reduction milestones as well as cash generation targets.

The performance results and corresponding payout for each performance period measurement date based upon these objectives are illustrated below. Each quarterly award cliff vested through 2014, one calendar year after the performance period measurement date, assuming the participant was actively employed as of the vesting date.

| Performance Period Measurement Date | Date Shares Released | Payout (% of target) |
|-------------------------------------|----------------------|----------------------|
| March 31, 2013 | March 31, 2014 | 102.0% |
| June 30, 2013 | June 30, 2014 | 104.4% |
| September 30, 2013 | September 30, 2014 | 88.4% |

December 31, 2013

December 31, 2014

100.0%

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The tables below detail the 2013 overlay grant performance targets and results.

| Objective | Q1 2013 Performance Targets | Weighting | Score |
|---|---|-----------|-------|
| Product Delivery (33.33%) | Media Resource Function (“MRF”) Product Launch | 25% | 100% |
| | Trillium Product Launch | 25% | 100% |
| | Platform Cost Reductions | 25% | 100% |
| | Define Next Generation Platform | 25% | 125% |
| Design Win (33.33%) | Q4 + Q1 = 15 Net Present Gross Margin | 100% | 100% |
| Operational (33.33%) | Cash Cycle Days 43-44 days | 50% | 100% |
| | Inventory ≤ \$28m | 50% | 100% |
| Objective | Q2 2013 Performance Targets | Weighting | Score |
| Product Delivery (33.33%) | MRF Feature Additions | 33% | 125% |
| | MRF Customer Feature Addition | 33% | 100% |
| | MRF Codec Addition | 33% | 100% |
| Design Win (33.33%) | 8 Net Present Gross Margin | 100% | 106% |
| Operational (33.33%) | Cash Cycle Time 43 - 44 days | 50% | 100% |
| | Inventory ≤ \$27m | 50% | 100% |
| Objective | Q3 2013 Performance Targets | Weighting | Score |
| Market Penetration and Product Delivery (50%) | MRF Customer Feature Addition | 34% | 100% |
| | Trillium Product Release | 33% | 100% |
| | Technical Definition of Next Generation Platform | 33% | 90% |
| | Meet Shanghai Shutdown Milestones per Engineering's Transition Plan | 25% | 110% |
| Execution (50%) | Meet Contract Manufacturing Transfer Milestones | 25% | 110% |
| | Meet Penang Shutdown Milestones | 25% | 100% |
| | Cash Generation | 25% | 0% |
| Objective | Q4 2013 Performance Targets | Weighting | Score |
| Market Penetration and Product Delivery (50%) | MRF Customer Feature Addition | 20% | 100% |
| | MRF Video Application Addition | 20% | 125% |
| | Trillium Product Release | 20% | 125% |
| | Solution Product Release | 10% | 100% |
| | Prototype Delivered for Next Generation Blade | 15% | 75% |
| | Demonstration of Next Generation Platform | 15% | 100% |
| | Meet Shanghai Shutdown Milestones per Engineering's Transition | 25% | 125% |
| Execution (50%) | Meet Contract Manufacturing Transfer Milestones | 25% | 125% |
| | Meet Penang Shutdown Milestones per Transition Plan | 25% | 125% |
| | Cash Generation | 25% | 0% |

Long Term Incentive Plan (LTIP) - The Committee granted shares under the Company’s LTIP on September 10, 2012 covering the period from October 1, 2012 through December 31, 2014. The LTIP grants are performance-based RSU grants with semi-annual performance metrics tied to the achievement of specific objectives focused on long-term growth and other financial objectives. Actual share payout can be up to 125% of the target award if all performance objectives are met at maximum achievement levels. There is an additional accelerator tied to stock price that can increase the maximum payout to up to 250% of the target award. Performance measurement dates and vesting dates align to each calendar half end date in 2013 and 2014. Refer to the 2014 Grants of Plan Based Awards table for LTIP

share quantities granted to NEOs in 2014.

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The Committee amended and restated the LTIP Administrative Rules effective March 1, 2014. The Committee determined that the Performance Goals for the Performance Period would align to one of the following categories and would be weighted per the below when determining the Award payout amount:

for the Performance Achievement Periods ending before 2014, Market Penetration (35%), Sustainable Long Term Growth (35%), and Financial Performance (30%); and

for the Performance Achievement Periods ending during 2014, Sustainable Long Term Growth (30%) and Financial Performance (70%).

First half and second half 2014 performance targets were weighted 30% on the achievement of design win objectives and 70% on the achievement of planned non-GAAP operating income and inventory levels.

The performance results and corresponding payout for each performance period measurement date based upon these objectives are illustrated below:

| Period | Performance Period Measurement Date | Payout (% of target) |
|---------|-------------------------------------|----------------------|
| 1H 2014 | June 30, 2014 | 50.0% |
| 2H 2014 | December 31, 2014 | 47.0% |

The tables below detail the 2014 LTIP performance targets and results.

| Objective | 1H 2014 Performance Targets | Weighting | Score |
|--------------------------------|--|-----------|-------|
| Long-Term Growth (30%) | Platforms Design Win points | 35% | 45% |
| | MRF Design Win Points | 35% | 125% |
| | Trillium Bookings | 30% | 74% |
| Financial Performance (70%) | Non-GAAP Operating Income at or above Plan | 70% | 0% |
| | Inventory at or below Plan Target | 30% | 121% |

| Objective | 2H 2014 Performance Targets | Weighting | Score |
|--------------------------------|--|-----------|-------|
| Long-Term Growth (30%) | Platforms Design Win points | 35% | 108% |
| | MRF Design Win Points | 35% | 93% |
| | Trillium Bookings | 30% | 67% |
| Financial Performance (70%) | Non-GAAP Operating Income at or above Plan | 70% | 0% |
| | Inventory at or below Plan Target | 30% | 94% |

2015 LTIP Awards - In March 2015, the Committee approved performance-based RSU awards to certain senior executives which vest only if total shareholder return objectives are achieved during a performance period beginning on the grant date. Specifically, 50% of shares granted to executives will vest if the 30 trading day average closing price of Radisys common stock equals or exceeds \$3.45 at any time during a 3-year performance period. The remaining 50% of shares granted will vest if the 30 trading day average closing price of Radisys common stock equals or exceeds \$4.25 at any time during a 4-year performance period. These price hurdles represent increases of approximately 45% and 79% from the March 2, 2015 grant date closing price of \$2.38.

The table below details the number of price vesting restricted stock units granted to each of our current executive officers in 2015.

| Executive Officer | Shares Granted |
|-------------------|----------------|
| Brian Bronson | 450,000 |
| Steve Collins | 125,000 |
| Grant Henderson | 125,000 |
| Jonathan Wilson | 125,000 |

The Committee approved the price vesting awards after a comprehensive review of the Company's executive compensation program initiated in 2014. The objective of this review, which was supported by the Committee's independent consultant, was to ensure ongoing alignment of executive pay with the Company's business strategy and long term shareholder interests. The Committee determined to grant price vesting awards as a long term incentive approach that would align with creating value for our shareholders, be simple to communicate and administer, clearly aligned with the Company's strategic plan, and motivational for participants, including an emphasis on performance-based pay with meaningful upside for strong performance. For fiscal 2015, the Committee approved price vesting awards to a select pool of 10 senior executives.

2014 Out of Cycle Grants for Executive Officers - Options and LTIP shares were granted to Mr. Henderson effective January 17, 2014 in conjunction with his increase in scope of role. Based on a review of outstanding equity grants, LTIP shares were granted to Mr. Muhich effective March 21, 2014 to bring his equity compensation to closer alignment with market. The grant quantities were based upon market-based total compensation target levels that utilize a value based approach with the objective of ensuring the unvested equity grants are sufficient in value to retain and provide strong performance incentives for the executive in future years. The grant quantities were recommended by management, modified as necessary, and ultimately approved by the Committee.

On October 15, 2014, Mr. Bronson received a stock option grant of 249,000 shares which represented the cancellation by mutual agreement of a stock option for 249,000 shares with an original grant date of September 6, 2013 and the grant of new options on the same terms and conditions. Under the terms of the stock option award, 31,777 shares immediately vested and the remainder will vest at a rate of 9,444 shares, cumulatively, on the 6th day of each month after the date of grant, until the stock option becomes fully exercisable on September 6, 2016. The expiration date of the grant is September 6, 2020.

Section IV: Compensation Framework

The Board of Directors has delegated responsibility to the Committee for final approval of executive base salary, variable cash compensation, equity compensation, as well as any executive employment offers, executive change of control agreements, severance agreements and other executive compensation programs. The Committee also guides executive development programs and succession planning in order to maintain and develop the Company's leadership team. The Committee maintains an annual calendar to guide the timing of its review, analysis, and decision-making related to executive compensation, benefits and development programs.

The Committee and the Chairman of the Board assess the performance of the Chief Executive Officer annually. The Chief Executive Officer's performance review process includes a Chief Executive Officer self-appraisal, a formal Board of Directors evaluation process as well as a performance appraisal delivered by the Chairman of the Board of Directors. The Chief Executive Officer is responsible for assessing the performance of each executive reporting to him.

The Committee reviews compensation recommendations provided by management and approves all final executive compensation related decisions. Under the oversight of the Committee, the Chief Executive Officer and human resources staff have responsibility for the implementation of executive compensation programs.

The Company's ongoing compensation practices are reflective of its compensation philosophy and align to a number of best practices and/or industry standards, including:

- The Committee oversees all elements of compensation for the executive officers while directly retaining an independent compensation consultant that performs services solely in support of the Committee.

- Compensation plans are competitive with industry peers. Plans are annually monitored, evaluated and compared against trends in executive compensation.

Subject to the Committee's ability to exercise its discretion to provide for funding if special circumstances warrant, the variable compensation plan requires a minimum level of non-GAAP operating income performance to fund a payout. There is an opportunity for increased funding if Company and individual performance exceeds plan goals.

Equity is a substantial component of an executive's total compensation, aligning an executive's long-term interest with that of shareholders. A combination of performance-based & time-based equity awards are used.

Performance-based metrics are used to trigger and scale payment for short and long-term incentives.

Equity-based incentive plans prohibit backdating and re-pricing of stock options.

Executive officers' change of control agreements provide for a "double trigger" payout with stock acceleration provisions included only for the Chief Executive Officer and Chief Financial Officer.

Special perquisites, tax equalization or gross-up benefits, or benefits designed solely for executive officers are not provided.

The Committee reviews annually all compensation plans to ensure incentives do not promote taking undue risk.

A peer group for benchmarking total shareholder return was established to measure and compare pay and performance linkage (see Peer Group below).

A dashboard, consisting of variable compensation costs and financial performance metrics, is reviewed each quarter by the Committee to monitor and further assess the pay for performance model.

Stock ownership guidelines promote the alignment of the long-term interests of executives with the long term interests of the shareholders, as well as, foster long-term retention of executives; the Committee reviews stock ownership status annually. The Company's ownership guidelines are three times base salary for the Chief Executive Officer and one times base salary for all other executive officers. All NEOs must be "net" buyers until stock ownership requirements are fulfilled within a 3 year grace period. Of our current executive officers, none have reached this ownership goal and all are within the 3 year grace period.

A clawback policy applicable to section 16 officers was adopted in 2014. The policy provides the Board of Directors the ability to recover performance based compensation paid to an executive in the event of any fraud or willful misconduct by one or more executives that results in the required restatement of any financial reporting required under the securities laws or other similar laws or regulations as applicable to the Company.

The most recent shareholder advisory vote on compensation of NEOs resulted in an 87.9% vote "For" the approval of the compensation of the Company's NEOs (excluding broker non-votes). Accordingly, no changes to the Company's executive compensation programs were made as a result of the shareholder advisory vote, but the Company intends to continue emphasizing its pay for performance compensation philosophy. The shareholders voted to hold an advisory vote on the compensation of NEOs every year. The Company intends to hold such advisory vote on compensation each year.

Peer Group

In early 2014 the peer group was revised to include companies that more closely align to the Company's product and industry as well as company size. The Committee evaluated a number of factors, including number of employees, market cap, revenue and net income when selecting the peer group. The Committee will utilize peer data to review total shareholder return as a part of its pay for performance linkage, Chief Executive Officer and Chief Financial Officer compensation and general compensation practices. The following companies were selected and utilized as peer companies in 2014:

| | | |
|----------------------------|------------------------------------|-------------------------------|
| Allot Communications Ltd. | Electro Scientific Industries Inc. | Planar Systems Inc. |
| Aruba Networks Inc. | Envivio Inc. | Procera Networks Inc. |
| AudioCodes Ltd. | Extreme Networks | Sonus Networks Inc. |
| Calix Inc. | Mavenir Systems Inc. | Super Micro Computer Inc. |
| Dialogic Inc. ¹ | Mercury Systems Inc. | Zygo Corporation ² |

¹ Stopped trading on 12/3/2014.

² Stopped trading on 6/20/2014.

Surveys and Benchmarking

The Committee believes that the broad technology industry comparison provided by the Radford salary survey is appropriate as the primary resource for executive compensation benchmarking, with supplemental resources providing a secondary source for certain top executive officer positions (generally the Chief Executive Officer and Chief Financial Officer positions). The market, for the purposes of executive compensation benchmarking, is defined as high-technology companies with average revenues of \$200 million to \$499 million. The Radford salary survey includes data from over 900 companies and more than 17,600 incumbents representing a wide range of technology sub-industries. To ensure accurate data collection based

on actual job duties, executive positions are individually benchmarked with the Radford survey data using a detailed review of the job responsibilities and scope for each executive role as defined by their job descriptions. A list of the companies included in our Radford survey market cut is set forth in Exhibit 99.1.

In 2015, as the Company completes the strategic transformation process and experiences a shift in size and scope of operations, the Committee plans to include the additional data point from executive compensation benchmarking with average revenues of \$50 million to \$199 million as a tool to transition to market norms that align with the organization.

Compensation Consultant

In fulfilling its duties and responsibilities, the Committee has the authority to engage the services of outside advisers. In fiscal 2014, the Committee engaged Compensia, Inc., a national compensation consulting firm, to assist it with compensation matters. A representative of Compensia, Inc. regularly attended meetings of the Committee, responded to committee members' inquiries, and provided its analysis with respect to these inquiries.

The nature and scope of services provided to the Committee by Compensia, Inc. in fiscal 2014 were as follows:

- Provided advice with respect to pay levels, compensation best practices and market trends for executive officers and directors;

- Assisted with the design of the short-term and long-term incentive compensation plans for our executive officers;

- Provided ad hoc advice and support throughout the year.

Compensia, Inc. does not provide any services to us other than the services provided to the Committee. The Committee has assessed the independence of Compensia, Inc. taking into account, among other things, the factors set forth in Exchange Act Rule 10C-1 and the listing standards of the Nasdaq Stock Market, and has concluded that no conflict of interest exists with respect to the work that Compensia, Inc. performs for the Committee.

Processes

The Committee conducts a formal review of each executive's compensation on an annual basis or more frequently if needed. The Committee's review consists of the following: comparing the cash and equity components of each executive's pay to market data for similar positions; considering recommendations provided by the Chief Executive Officer and human resources staff; assessing individual performance; and aligning any pay changes with market and company performance. The Committee reviews the mix of base salary, variable cash compensation and equity compensation, but does not attempt to target a specific percentage allocation as each compensation element is compared to market survey data.

"Tally sheets" are used to consider and evaluate the total potential compensation of executives from all sources upon various scenarios and any benefits associated with termination of employment. Based on this analysis, the Committee is able to make market-based decisions that are aligned to the Company's financial and strategic direction.

Base Salaries are reflective of the executive's job scope, background and experience level. Base salary levels are initially determined at the time of hire or promotion and are reviewed annually thereafter or in conjunction with a change in job scope or responsibility or upon the Committee's consideration of other relevant factors. The amount of any merit increase is determined based on a combination of factors, including the current position of the executive's pay against market data and the executive's experience, performance and results during the past year. The Committee may determine that an individual executive's base salary should be above (or below) the benchmark based on the executive officer's job responsibilities and/or experience level and may adjust an executive's salary during the annual review process or at such other time as the Committee deems necessary or advisable.

Variable Cash Compensation targets are expressed as a percentage of base salary. The targets are determined at the time of hire or promotion and are typically reviewed annually against industry benchmark data for comparable positions. An executive's variable target is generally aligned to the 50th percentile of market. Exceptions may exist based on an executive officer's job responsibilities and/or experience level.

Plan performance targets (including minimum funding levels, target funding levels and maximum payout levels) are established and approved by the Committee at the beginning of the performance period, typically in conjunction with the annual operating plan process, and are based on current business and economic conditions, the financial planning process and affordability. Plan performance targets are directly tied to achieving financial performance and/or strategic objectives of the Company and may include an individual performance component.

Individual performance objectives for each executive are developed by the Chief Executive Officer in consultation with the affected executive and then reviewed and approved by the Committee. The Committee reviews the Chief Executive Officer's assessment of executive performance to objectives.

The Committee ultimately decides the amounts paid to each executive with such quantitative and qualitative modifications as the Committee may make at its discretion.

Sales Incentive Compensation targets are derived for each individual by first benchmarking total target cash compensation to the 50th percentile of market and then factoring in the Company's base/incentive mix.

Plan performance targets (including revenue and/or booking quotas and design win quotas, or points) are established and approved at the end of each year for the following year and align to the annual operating plan. Revenue and/or booking and design win quotas are set such that the combined sales team quota is at or above the annual operating plan forecast.

Equity Compensation in the form of stock options, RSUs, and performance-based shares are awarded to executive officers and key individuals because they are a highly effective way to align the interests of management and shareholders and motivate management to drive long-term shareholder value.

Industry benchmark data for comparable executive positions is used to establish target equity values at the time of grant. The total annual grant value for an executive, including options, RSUs and performance-based shares is targeted at the 50th percentile of market. Since performance-based shares are not granted on an annual basis, the total grant value may be allocated across multiple years (i.e., the performance period).

In addition to reviewing benchmark data to determine equity grant levels, the retentive value of past grants for each executive is reviewed to ensure that the value of unvested equity grants is in line with benchmarks and is of sufficient value to retain and provide strong performance incentive for the executive in future years.

The Black-Scholes methodology is used for valuing options and the grant date fair value is used for valuing both RSUs and performance-based shares (see Note 17 to the Consolidated Financial Statements for a description of Black-Scholes methodology and assumptions used). The targeted grant mix for executives is 50% time-based, of which 70% are generally options and 30% are generally RSUs, and 50% performance-based shares. In practice, the Board has been granting largely performance based equity vs. time-based equity given the stage of the Company's strategic transformation.

Time-based equity incentives are granted under the 2007 Stock Plan for annual refresh, promotion and retentive purposes. Annual refresh grants are typically made in the fall after shareholder approval of additional shares, if necessary.

The LTIP provides performance-based RSUs, which are intended to create an incentive for exceptional financial and strategic performance. Consequently, LTIP awards vest only upon achievement of certain financial or strategic metrics. Threshold targets have been established by the Committee to ensure a minimum level of achievement for payout.

All equity grants to newly hired executives and refresher grants to existing executives are reviewed and approved by the Committee, on the recommendation of the Chief Executive Officer, using the above mentioned factors of market data, the total retention value, and the executive's projected level of future contribution.

Grants of equity awards are made at predetermined times and are not intentionally scheduled to coincide with the disclosure of favorable or unfavorable information. Each year the Committee reviews whether refresher grants are necessary to continue to motivate management and employees while providing long-term incentives.

Risk Considerations

The Committee conducted an assessment of the Company's compensation policies and practices to identify any potential risk arising from such policies and practices that could be reasonably likely to have a material adverse effect on the Company. The assessment covered all compensation elements and included an analysis of overall compensation costs (including both fixed and variable incentive components), compensation plan participation by employee group (sales vs. employees vs. senior leaders), metrics and performance goals. No potential risks that could be reasonably likely to have a material adverse effect were identified.

Section V: Employment and Termination Agreements

Executive officers are parties to various severance agreements, change of control agreements, or both, entered into pursuant to guidelines adopted by the Committee. The Committee believes these agreements may be necessary or advisable to keep executive officers focused on the best interests of shareholders at times that may otherwise cause a lack of focus due to personal economic exposure and potential change for the Company. Further, the Committee believes that they are necessary or advisable for retentive purposes to provide a measure of support to executive officers who may receive offers of employment from competitors that would provide severance or change of control benefits.

Consistent with the practice of a substantial number of companies in the peer group, the change of control agreements provide for a "double trigger" payout only in the event there is a change in control and the executive officer is either terminated from his or her position (other than for cause, death or disability) or resigns for "good reason," which generally means that he or she is moved into a position that represents a substantial change in responsibilities or is required to relocate a substantial distance within a limited period of time after the transaction (i.e. these agreements do not become operative unless both events occur).

See "Potential Post-Employment Payments" under Summary Compensation Table for severance and change of control benefits provided to NEOs.

Section VI: Deductibility of Compensation

Section 162(m) of the Internal Revenue Code of 1986 (the "Code") limits to \$1,000,000 per person the amount the Company may deduct for compensation paid to the Chief Executive Officer and the three highest compensated officers who are NEOs (other than the Chief Executive Officer or Chief Financial Officer) in any year. The level of salary and annual cash incentive payments the Company generally pays to executive officers does not exceed this limit. In addition, Section 162(m) specifically exempts certain performance-based compensation from the deduction limit. The stock options granted to executive officers under the 2007 Stock Plan are considered performance based for purposes of Section 162(m) and are therefore not subject to the \$1,000,000 limitation. The intent of the Committee is to design compensation that will be deductible without limitation where doing so will further the purposes of the executive compensation program. The Committee will, however, take into consideration various other factors described in this CD&A, together with Section 162(m) considerations, in making executive compensation decisions and could, in certain circumstances, such as the awards under the LTIP described above, approve and authorize compensation that is not fully tax-deductible.

Section VII: Non-GAAP Financial Measures

To help evaluate the Company's performance for purposes of determining executive compensation, the Company considers non-GAAP operating income, non-GAAP earnings per share and non-GAAP cash flow (defined as non-GAAP operating income with an add back for depreciation expense less cash payments for employee severance and capital expenditures, and adjusted for changes in inventory) for the Embedded Products segment, non-GAAP operating income and non-GAAP earnings per share which exclude certain expenses, gains and losses, such as the effects of (a) purchase accounting adjustments, (b) amortization of acquired intangible assets, (c) stock-based compensation expense, (d) restructuring and acquisition-related charges (reversals), net, (e) impairment of goodwill, (f) sale of land and (g) non-cash income tax expense. The Company believes that the use of non-GAAP financial measures provides useful information to investors to gain an overall understanding of its current financial performance and its prospects for the future. Specifically, the Company believes the non-GAAP results provide useful information to both management and investors by excluding certain expenses, gains and losses that the Company believes are not indicative of its core operating results. In addition, non-GAAP financial measures are used

by management for budgeting and forecasting as well as subsequently measuring the Company's performance, and the Company believes that it is providing investors with financial measures that most closely align to its internal measurement processes. These non-GAAP measures are considered to be reflective of the Company's core operating results as they more closely reflect the essential revenue-generating activities of the Company and direct operating expenses (resulting in cash expenditures) needed to perform these revenue-generating activities. The Company also believes, based on feedback provided to the Company during its earnings calls' Q&A sessions and discussions with the investment community, that the non-GAAP financial measures it provides are necessary to allow the investment community to construct their valuation models to better align its results and projections with its competitors and market sector, as there is significant variability and unpredictability across companies with respect to certain expenses, gains and losses.

The non-GAAP financial information is presented using a consistent methodology from quarter-to-quarter and year-to-year. These measures should be considered in addition to results prepared in accordance with GAAP. In addition, these non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. The Company believes that non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with the Company's results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate the Company's results of operations in conjunction with the corresponding GAAP financial measures. A reconciliation of non-GAAP information to GAAP information is included in the tables below. The non-GAAP financial measures disclosed by the Company should not be considered a substitute for or superior to financial measures calculated in accordance with GAAP, and reconciliations between GAAP and non-GAAP financial measures included in this earnings release should be carefully evaluated. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

| | Year Ended | |
|--|--------------------------------------|----------------------|
| | December 31, 2014 | December 31, 2013 |
| | (in thousands except per share data) | |
| INCOME (LOSS) FROM OPERATIONS: | | |
| GAAP loss from operations | \$ (25,300) | \$ (34,766) |
| (a) Amortization of acquired intangible assets | 13,286 | 13,774 |
| (b) Stock-based compensation | 4,097 | 5,298 |
| (c) Restructuring and acquisition-related charges, net | 4,205 | 7,696 |
| Non-GAAP loss from operations | \$ (3,712) | \$ (7,998) |
| NET INCOME (LOSS): | | |
| GAAP net loss | \$ (27,581) | \$ (49,404) |
| (a) Amortization of acquired intangible assets | 13,286 | 13,774 |
| (b) Stock-based compensation | 4,097 | 5,298 |
| (c) Restructuring and acquisition-related charges, net | 4,205 | 7,696 |
| (d) Income taxes | 762 | 13,429 |
| (e) Gain on insurance asset | (361) | — |
| (f) Gain on sale of land held for sale | — | (771) |
| Non-GAAP net loss | \$ (5,592) | \$ (9,978) |
| GAAP weighted average diluted shares | 34,699 | 28,805 |
| Escrow shares | — | — |
| Dilutive equity awards included in non-GAAP earnings per share | — | — |
| Non-GAAP weighted average diluted shares | 34,699 | 28,805 |

| | | | | |
|---------------------------------------|----------|---|----------|---|
| GAAP net loss per share (diluted) | \$ (0.79 |) | \$ (1.72 |) |
| Non-GAAP adjustments detailed above | 0.63 | | 1.37 | |
| Non-GAAP net loss per share (diluted) | \$ (0.16 |) | \$ (0.35 |) |

Non-GAAP financial measures includes the performance of Software-Systems and Embedded Products and Hardware Services.

The Company excludes the following expenses, reversals, gains and losses from its non-GAAP financial measures, when applicable:

(a) Amortization of acquired intangible assets: Amortization of acquisition-related intangible assets primarily relate to core and existing technologies, trade name and customer relationships that were acquired with the acquisitions of Continuous Computing and Pactolus. The Company excludes the amortization of

acquisition-related intangible assets because it does not reflect the Company's ongoing business and it does not have a direct correlation to the operation of the Company's business. In addition, in accordance with GAAP, the Company generally recognizes expenses for internally-developed intangible assets as they are incurred, notwithstanding the potential future benefit such assets may provide. Unlike internally-developed intangible assets, however, and also in accordance with GAAP, the Company generally capitalizes the cost of acquired intangible assets and recognizes that cost as an expense over the useful lives of the assets acquired. As a result of their GAAP treatment, there is an inherent lack of comparability between the financial performance of internally-developed intangible assets and acquired intangible assets. Accordingly, the Company believes it is useful to provide, as a supplement to its GAAP operating results, non-GAAP financial measures that exclude the amortization of acquired intangibles in order to enhance the period-over-period comparison of its operating results, as there is significant variability and unpredictability across companies with respect to this expense.

(b) Stock-based compensation: Stock-based compensation consists of expenses recorded under GAAP, in connection with stock awards such as stock options, restricted stock awards and restricted stock units granted under the Company's equity incentive plans and shares issued pursuant to the Company's employee stock purchase plan. The Company excludes stock-based compensation from non-GAAP financial measures because it is a non-cash measurement that does not reflect the Company's ongoing business and because the Company believes that investors want to understand the impact on the Company of the adoption of the applicable GAAP surrounding share based payments; the Company believes that the provision of non-GAAP information that excludes stock-based compensation improves the ability of investors to compare its period-over-period operating results, as there is significant variability and unpredictability across companies with respect to this expense.

(c) Restructuring and other charges, net: Restructuring and other charges, net relates to costs associated with non-recurring events. These include costs incurred for employee severance, acquisition or divestiture activities, excess facility costs, certain legal costs, asset related charges and other expenses associated with business restructuring activities. Restructuring and other charges are excluded from non-GAAP financial measures because they are not considered core operating activities. Although the Company has engaged in various restructuring activities over the past several years, each has been a discrete event based on a unique set of business objectives. The Company does not engage in restructuring activities in the ordinary course of business. As such, the Company believes it is appropriate to exclude restructuring charges from its non-GAAP financial measures because it enhances the ability of investors to compare the Company's period-over-period operating results.

(d) Income taxes: Non-GAAP income tax expense is equal to the Company's projected cash tax expense. Adjustments to GAAP income tax expense are required to eliminate the recognition of tax expense from profitable entities where we utilize deferred tax assets to offset current period tax liabilities. We believe that providing this non-GAAP figure is useful to our investors as it more closely represents the true economic impact of our tax positions.

(e) Gain on life insurance asset: Includes a death benefit received from life insurance assets which were a component of the Company's deferred compensation plan. This transaction is not part of the Company's ordinary course of business and therefore has been excluded from its non-GAAP financial measures because it enhances the ability of investors to compare the Company's period-over-period operating results.

(f) Sale of land: Gain realized when the Company sold a parcel of land that it owned during the three months ended December 31, 2013. This is excluded from non-GAAP results as the Company does not buy and sell land in the normal course of business. We believe this exclusion enhances the ability of investors to compare the Company's period-over-period operating results.

SUMMARY COMPENSATION TABLE

The following table sets forth information concerning compensation paid or accrued for services to us in all capacities for the last fiscal year for:

the individuals who served as our Chief Executive Officer and Chief Financial Officer during fiscal year 2014; and our most highly compensated executive officers other than the Chief Executive Officer and Chief Financial Officer whose total compensation exceeded \$100,000 and who were serving as executive officers at the end of fiscal year 2014; and

Up to two additional individuals for whom disclosure would have been provided but for the fact that the individual was not serving as an executive officer at the end of the last completed fiscal year.

The above individuals are referred to herein as the “named executive officers.”

| Name & Principal Position | Year | Salary (\$) | Bonus (\$) | Stock Awards (1) (\$) | Option Awards (2) (\$) | Non-Equity Incentive Plan Compensation Earnings (3) (\$) | Change in Pension Value and Nonqualified Deferred Compensation Earnings (4) (\$) | All Other Compensation (5) (\$) | Total (\$) |
|---|------|-------------|------------|-----------------------|------------------------|--|--|---------------------------------|------------|
| Brian Bronson President & CEO | 2014 | 500,000 | — | — | 185,704 | — | — | 5,991 | 691,695 |
| | 2013 | 482,288 | — | — | 1,059,581 | 56,418 | — | 8,730 | 1,607,017 |
| | 2012 | 375,461 | — | 270,177 | 610,300 | — | — | 8,526 | 1,125,180 |
| Allen Muhich (6) Former Chief Financial Officer | 2014 | 297,847 | — | 12,479 | — | — | — | 8,621 | 318,947 |
| | 2013 | 278,635 | 5,000 | 19,750 | 158,919 | 16,769 | — | 8,469 | 487,542 |
| | 2012 | 215,943 | — | 63,084 | 63,336 | — | — | 8,026 | 350,389 |
| Stephen Collins (7) Vice President, Global Sales | 2014 | 278,000 | — | — | — | 73,344 | — | 33,098 | 384,442 |
| | 2013 | 74,088 | 10,692 | 82,050 | 96,314 | 28,438 | — | 37,331 | 328,913 |
| Keate Despain (8) Former Vice President & General Manager, Platforms | 2014 | 272,950 | — | — | — | — | — | 8,586 | 281,536 |
| | 2013 | 267,064 | 40,171 | — | 206,903 | 16,033 | — | 8,492 | 538,663 |
| | 2012 | 227,874 | — | 103,473 | 71,344 | — | — | 8,208 | 410,899 |
| Grant Henderson (9) Vice President, MediaEngine & Corporate Marketing | 2014 | 217,331 | — | 24,959 | 48,016 | — | — | 6,951 | 297,257 |

(1) The amounts included in the Stock Awards and Option Awards columns include the aggregate grant date fair value of stock and option awards granted in the fiscal year computed in accordance with FASB ASC Topic 718 ("ASC 718"). We continue to use the Black-Scholes model to measure the grant date fair value of stock options and the

amounts above do not include any forfeiture reserve. For a discussion of the valuation assumptions used to value the options, see Note 17 to our Consolidated Financial Statements included in our annual report on Form 10-K for the fiscal year ended December 31, 2014. We compute the grant date fair value of restricted stock as the closing price of our shares as quoted on the Nasdaq Global Select Market (“Nasdaq”) on the date of grant or the first date of the underlying service period, whichever occurs first.

A portion of the amounts included in the Stock Awards column for 2014 are performance awards under the LTIP.
(2) The grant date fair value of these performance awards is determined at each date when the performance measures for 2014

were set and is based on the probable outcome of the performance conditions at the target outcome. As of December 31, 2014, 50 percent of the 2014 awards to be earned in the first half and 51 percent of the 2014 awards to be earned in the second half were estimated to be probable of achievement at the target outcome of the performance conditions as of each date when the performance measures were set. The table below details the maximum potential value of the 2014 awards as of the grant date when such performance conditions were determined. The table below includes the number of shares that may be paid out pursuant to such awards once the performance conditions for such award periods have been established.

| Name | Value Of Grant At Maximum Payout For Awards Valued As Of December 31, 2014 | Performance Awards Not Yet Valued As Of December 31, 2014 (# of Shares) | | |
|-----------------|---|--|--------|---------|
| | | Threshold | Target | Maximum |
| Grant Henderson | \$62,396 | 3,938 | 7,425 | 18,563 |
| Allen Muhich | \$31,198 | 1,969 | 3,713 | 9,281 |

(3) The amounts in this column for 2014 represent payments made under the Sales Incentive Plan. Amounts for 2012 and 2013 represent payments made under our prior variable compensation and cash incentive plans.

The Summary Compensation Table only requires disclosure of above-market or preferential returns on nonqualified deferred compensation. The 2014 Deferred Compensation Table below discloses all earnings under our Non-Qualified Deferred Compensation Plan during 2014. During 2013, the Board approved the termination of the Deferred Compensation Plan. All shares held by the plan were distributed to plan participants in September 2014. Participants in our Non-Qualified Deferred Compensation Plan make voluntary contributions to their accounts and in some cases we make matching contributions to the extent that a participant loses the Company match in our 401(k) plan due to the effect of participation in the Non-Qualified Deferred Compensation Plan.

(4) Participants elect to benchmark earnings on their accounts to the performance of third-party investment funds available to them under the Non-Qualified Deferred Compensation Plan. Participants select from among the funds available to them. Earnings are calculated and applied to participant accounts daily and may be positive or negative, based on individual fund performance. Although the funds offered to participants under our Non-Qualified Deferred Compensation Plan differ from those under our 401(k) plan, the number of funds and investment objectives of each fund are similar to those under the 401(k) plan. In accordance with SEC rules and publicly available interpretations of these rules by the staff of the SEC, earnings on deferred compensation invested in third-party investment vehicles, such as mutual funds, need not be reported as compensation on the Summary Compensation Table.

(5) The table below details the amounts included in the All Other Compensation column for 2014:

| | 401(k) Contributions | Term Life Insurance Payments | Relocation Expenses | Tax Reimbursement on Relocation Expenses |
|---------------------|-------------------------|------------------------------------|------------------------|---|
| Brian Bronson | \$4,911 | \$1,080 | \$0 | \$0 |
| Allen Muhich | \$7,800 | \$821 | \$0 | \$0 |
| Stephen Collins | \$3,900 | \$919 | \$18,000 | \$10,279 |
| Keate Despain | \$7,800 | \$786 | \$0 | \$0 |
| Grant Henderson (9) | \$5,920 | \$1,031 | \$0 | \$0 |

(6) Mr. Muhich was no longer an executive officer as of February 17, 2015 and he resigned from the company effective March 6, 2015.

(7) Mr. Collins joined us on September 30, 2013.

(8) Mr. Despain was no longer an executive officer as of January 17, 2014 and his employment ceased on February 6, 2015.

(9) Mr. Henderson was named an executive officer on January 17, 2014. Mr. Henderson is a Canadian resident. His salary and 401(k) Contributions included in All Other Compensation reported for 2014 were converted from Canadian dollars to United States dollars at the exchange rate in effect when the payments were made. Those exchange rates ranged from 1.0612 to 1.1725 as obtained from <http://www.federalreserve.gov/releases/h10/>.

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GRANTS OF PLAN BASED AWARDS

| Name | Grant Date (1) | Approval Date | Plan (3) | Estimated Future Payouts Under Non-Equity Incentive Plan Awards | | | Estimated Future Payouts Under Equity Incentive Plan Awards | | | Exercise or Base Price of Option Awards (\$/sh) | Grant Date Fair Value of Stock and Option Awards \$(2) |
|--------------------|-------------------|------------------|---|---|----------------|-----------------|---|---------------|----------------|--|--|
| | | | | Threshold (\$) | Target (\$) | Maximum (\$) | Threshold (#) | Target (#) | Maximum (#) | | |
| Brian Bronson | 10/15/2014 | 10/15/2014 | 2007 Variable Compensation Plan (4) | VCP 225,000 | 500,000 | 1,000,000 | — | 249,000 | — | 3.45 | 185,704 |
| Allen Muhich | 3/21/2014 | 3/17/2014 | LTIP Variable Compensation Plan (4) | VCP 73,921 | 164,270 | 328,539 | 1,969 | 7,500 | 25,000 | N/A | 12,479 |
| Stephen Collins | | | Variable Compensation Plan (4) | VCP 40,958 | 91,017 | 182,034 | | | | | |
| Keate Despain | | | Variable Compensation Plan (4) | VCP 64,484 | 143,299 | 286,598 | | | | | |
| Grant Henderson | 1/17/2014 | 1/17/2014 | 2007 Variable Compensation Plan (4) | VCP 53,473 | 118,829 | 237,657 | — | 40,000 | — | 2.79 | 48,016 |
| | 1/17/2014 | 1/17/2014 | LTIP | | | | 3,938 | 15,000 | 37,500 | N/A | 24,959 |

(1) Grant Date applies only to grants of equity awards.

A portion of the amounts included in the Stock Awards column for 2014 are performance awards under the LTIP. The grant date fair value for these performance awards is determined at the date when the performance measures for 2014 were set and is based on the probable outcome of the performance conditions at the target outcome as of each such date. As of December 31, 2014, 50 percent of the 2014 awards to be earned in the first half and 51 (2) percent of the 2014 awards to be earned in the second half were estimated to be probable of achievement at the target outcome of the performance conditions as of each date when the performance measures were set. The table below details the maximum potential value of the 2014 awards as of each date when such performance conditions were determined. The table below includes the number of shares that may be paid out pursuant to such awards once the performance conditions for such award periods have been established.

| Name | Value Of Grant At Maximum Payout For Awards Valued As Of December 31, 2014 | Performance Awards Not Yet Valued As Of December 31, 2014 (# of Shares) | | |
|-----------------|---|--|--------|---------|
| | | Threshold | Target | Maximum |
| Grant Henderson | \$62,396 | 3,938 | 7,425 | 18,563 |
| Allen Muhich | \$31,198 | 1,969 | 3,713 | 9,281 |

(3) The plans in this column represent:

•“2007” is the 2007 Stock Plan

•“LTIP” is the Long-Term Incentive Plan

•“VCP” is the Variable Compensation Plan

•“SC” is the Sales Commission Plan

(4) Represents the possible payout range during the 2014 fiscal year for the Variable Compensation Plan based on annualized base pay and variable target as of December 31, 2014. The 2014 non-GAAP operating income target

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was below the pre-determined threshold level and therefore no variable compensation funding was earned and no payments were made to management.

Narrative Description of Additional Material Factors -- Summary Compensation Table & 2014 Grants of Plan-Based Awards Table

Equity Incentive Plans: Stock option grants were made under the 2007 Stock Plan. Performance share awards were made under the LTIP. Except for the option grant to Mr. Bronson in 2014, grants of stock options become exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, cumulatively, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant. The term of each option grant is seven years. Mr. Bronson's option grant represented the cancellation by mutual agreement of a stock option for 249,000 shares with an original grant date of September 6, 2013 and the grant of new options on the same terms and conditions. Under the terms of the option award, 31,777 shares immediately vested and the remainder will vest at a rate of 9,444 shares, cumulatively, on the 6th day of each month after the date of grant, and the option will become fully exercisable on September 6, 2016. The expiration date of the grant is September 6, 2020.

The vesting of the performance share awards under the LTIP will be determined upon us reaching semi-annual performance targets tied to specific stretch goals. Under the LTIP, first half and second half 2014 performance targets were weighted 30% on the achievement of design win objectives and 70% on the achievement of planned non-GAAP operating income and inventory levels. Performance targets for performance share awards under the LTIP for performance periods in 2014 are determined at or before the time of grant by the Committee.

The grant dates for equity awards during 2014 were established by the Committee during meetings prior to each grant date.

Non-Equity Incentive Plans: We maintain the Variable Compensation Plan in which executive officers are eligible for potential incentive payments dependent upon the level of achievement of non-GAAP operating income and other stated corporate goals and department/individual performance goals.

The actual incentive payouts for 2014 were calculated semi-annually. The 2014 non-GAAP operating income target was below the pre-determined threshold level and therefore \$0 variable compensation funding was earned and no payments were made to management.

For a more complete description of the salary, equity incentive plans, non-equity incentive plans, and special incentive bonuses for each named executive officer, see "Compensation Discussion and Analysis."

2014 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

| Name | Option Awards | | | | Stock Awards | | | | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) |
|-----------------|---|---|---|----------------------------------|------------------------|---|---|---|--|
| | Number of Securities Underlying Unexercised Options (#) | Number of Securities Underlying Unexercised Options (#) | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$/share) | Option Expiration Date | Number of Shares or Units of Stock that Have Not Vested (#) | Market Value of Stock That Have Not Vested (\$) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) | |
| | Exercisable | Unexercisable | | | | | | | |
| | 50,665 (1) | 198,335 (1) | — | 3.45 | 9/6/2020 | 5,775 (21) | 13,514 | 37,500 (24) | 87,750 |
| | 91,000 (2) | — | — | 3.45 | 9/6/2020 | 3,559 (22) | 8,328 | | |
| | 103,000 (3) | 206,000 (3) | — | 2.98 | 1/1/2020 | | | | |
| | 160,667 (4) | 80,333 (4) | — | 3.15 | 10/2/2019 | | | | |
| | 17,748 (5) | 6,827 (5) | — | 3.15 | 10/2/2019 | | | | |
| Brian Bronson | 30,318 (6) | 10,107 (6) | — | 3.67 | 9/4/2019 | | | | |
| | 11,333 (7) | 4,667 (7) | — | 7.37 | 2/1/2019 | | | | |
| | 21,000 (8) | — | — | 8.39 | 7/8/2018 | | | | |
| | 14,000 (9) | — | — | 8.68 | 4/1/2018 | | | | |
| | 33,880 (10) | — | — | 9.93 | 11/10/2017 | | | | |
| | 71,000 (11) | — | — | 7.82 | 2/9/2016 | | | | |
| | 47,000 (12) | — | — | 9.44 | 3/17/2015 | | | | |
| | 22,916 (2) | 32,084 (2) | — | 3.45 | 9/6/2020 | 1,386 (21) | 3,243 | 13,750 (24) | 32,175 |
| | 19,555 (14) | 12,445 (14) | — | 3.95 | 2/1/2020 | 924 (22) | 2,162 | | |
| Allen Muhich | 4,671 (4) | 1,797 (4) | — | 3.15 | 10/2/2019 | | | | |
| | 7,277 (6) | 2,425 (6) | — | 3.67 | 9/4/2019 | | | | |
| | 5,667 (7) | 2,333 (7) | — | 7.37 | 2/1/2019 | | | | |
| | 17,500 (15) | — | — | 8.20 | 5/24/2018 | | | | |
| Stephen Collins | 26,666 (16) | 37,334 (16) | — | 3.21 | 9/30/2020 | 10,000 (23) | 23,400 | 25,000 (24) | 58,500 |
| | 27,082 (2) | 37,918 (2) | — | 3.45 | 9/6/2020 | 3,800 (21) | 8,892 | 12,000 (24) | 28,080 |
| | 28,447 (14) | 18,103 (14) | — | 3.95 | 2/1/2020 | | | | |
| | 19,950 (6) | 6,650 (6) | — | 3.67 | 9/4/2019 | | | | |
| Keate Despain | 2,833 (7) | 1,167 (7) | — | 7.37 | 2/1/2019 | | | | |
| | 14,000 (17) | — | — | 6.12 | 10/1/2018 | | | | |
| | 7,000 (18) | — | — | 9.01 | 5/9/2018 | | | | |
| | 5,250 (10) | — | — | 9.93 | 11/10/2017 | | | | |
| | 10,000 (11) | — | — | 7.82 | 2/9/2016 | | | | |
| | — | 40,000 (19) | — | 2.79 | 1/17/2021 | 1,925 (21) | 4,505 | 13,750 (24) | 32,175 |

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| | | | | | | | |
|-----------|--------|------|--------|-----|---|------|------------|
| Grant | 16,666 | (2) | 23,334 | (2) | — | 3.45 | 9/6/2020 |
| Henderson | 10,106 | (6) | 3,369 | (6) | — | 3.67 | 9/4/2019 |
| | 10,500 | (17) | — | | — | 6.12 | 10/1/2018 |
| | 6,300 | (10) | — | | — | 9.93 | 11/10/2017 |
| | 25,000 | (20) | — | | — | 8.92 | 3/9/2017 |

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- (1) Option granted on 10/15/2014. 31,777 shares were immediately vested and the remainder vesting at a rate of 9,444 shares on the 6th day of each month after the date of grant becoming fully exercisable on 9/6/2016.

(2) Option granted on 9/6/2013 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.

(3) Option granted on 1/1/2013 and becomes exercisable for one-third of the total option shares on each of the first 3 anniversaries of the grant date.

(4) Option granted on 10/2/2012 and becomes exercisable for one-third of the total option shares on each of the first 3 anniversaries of the grant date.

(5) Option granted on 10/2/2012 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.

(6) Option granted on 9/4/2012 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.

(7) Option granted on 2/1/2012 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.

(8) Option granted on 7/8/2011 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.

(9) Option granted on 4/1/2011 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.

(10) Option granted on 11/10/2010 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.

(11) Option granted on 2/9/2009 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.

(12) Option granted on 3/17/2008 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.

(13) Option granted on 6/5/2007 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.

(14)

Option granted on 2/1/2013 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.

(15) Option granted on 5/24/2011 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.

- (16) Option granted on 9/30/2013 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.
- (17) Option granted on 10/1/2011 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.
- (18) Option granted on 5/9/2011 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.
- (19) Option granted on 1/17/2014 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.
- (20) Option granted on 3/9/2010 and becomes exercisable for one-third of the total option shares on the first anniversary of the date of grant and become exercisable in monthly increments equal to 1/36th of the total option shares, each month thereafter, becoming fully exercisable on the 3rd anniversary of the date of grant.
- (21) Restricted Stock Units granted on 9/4/2012 and vest for one-third of the award shares on each anniversary of the date of grant, subject to continual employment.
- (22) Restricted Stock Units granted on 10/2/2012 and vest for one-third of the award shares on each anniversary of the date of grant, subject to continual employment.
- (23) Restricted Stock Units granted on 10/1/2013 and vest for one-third of the award shares on each anniversary of the date of grant, subject to continual employment.
- (24) The vesting of the performance share awards under the LTIP will be determined upon us reaching semi-annual performance targets tied to specific stretch goals. See "Compensation Discussion and Analysis" for a discussion of these targets. The payout can be up to 125% of target based on maximum achievement if all performance milestones are met at maximum achievement levels. There is an additional accelerator that can increase the maximum payout and achievement level to 250% of target tied to increased stock price. The remaining performance achievement date is December 31, 2014. Performance share awards under the LTIP will vest, if at all, upon Committee certification of achievement in respect of performance targets following the applicable performance target achievement date.

2014 OPTION EXERCISES AND STOCK VESTED

| Name | Option Awards | | Stock Awards | |
|-----------------|---|------------------------------------|--|-----------------------------------|
| | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise (\$) | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting (\$) |
| Brian Bronson | — | — | 113,557 | \$340,493 |
| Allen Muhich | — | — | 34,790 | \$105,414 |
| Stephen Collins | — | — | 25,800 | \$75,389 |
| Keate Despain | — | — | 40,526 | \$120,852 |
| Grant Henderson | — | — | 25,357 | \$75,755 |

Narrative Disclosure Describing Material Factors - 2014 Nonqualified Deferred Compensation

During 2013 the Board approved the termination of the Radisys Corporation Deferred Compensation Plan (the “Deferred Compensation Plan”), including in respect of deferrals of compensation under the Deferred Compensation Plan prior to January 1, 2005 (such portion of the Deferred Compensation Plan, the “Grandfathered Plan”). The Deferred Compensation Plan (other than in respect of the Grandfathered Plan) was terminated effective August 31, 2013 and the Grandfathered Plan was terminated effective September 1, 2014. The distribution of plan assets and participant balances under the Grandfathered Plan took place from September 2014 through January 2015. Participants with an account balance in the Grandfathered Plan were paid out in the form designated by the participant at the time of deferral. All other account balances under the Deferred Compensation Plan were paid out in a lump sum in September 2014. Because Deferred Compensation Plan participants may recognize compensation income earlier than anticipated as a result of the termination of the Deferred Compensation Plan and the associated distribution of account balances in September 2014, the Board amended the Deferred Compensation Plan to permit the Company to provide a 3% discretionary tax allocation based on outstanding balances as of August 2014. Prior to its termination, executives and other select employees were eligible to participate in the Deferred Compensation Plan. Executive contributions under the Deferred Compensation Plan could be made from salary, sales commission payments and/or cash incentive awards. A maximum amount of 75% of salary and 75% of sales commission payments and/or cash incentive awards could be deferred. Base salary, cash incentive awards and commission elections apply to compensation earned during the applicable plan year. Employee contributions were credited to the account balance on the date they would otherwise have been paid to the participant. We only made Company contributions to the Deferred Compensation Plan in situations where such contributions were needed to restore any match lost in the 401(k) plan due to the effect of participation in the Deferred Compensation Plan. Any such matching contributions were credited as soon as practicable following the end of the plan year.

Participants selected from among the funds available to them. Earnings were calculated and applied to participant accounts daily and could be positive or negative, based on individual fund performance. Although the funds offered to participants under the Deferred Compensation Plan differed from those of our 401(k) plan, the number of funds and investment objectives of each fund were similar to those of the 401(k) plan.

Aggregate Distributions are any distributions made to a participant during the last fiscal year. Distributions are paid in the form elected by the participant prior to the beginning of each plan year. The participant may elect to receive payment during employment or upon separation from service. Available forms of payment made during employment were lump sum or annual installments over a maximum of five years. Available forms of payment made following a separation from service are lump sum or annual installments over a maximum of 15 years.

Potential Post-Employment Payments

The Committee has adopted guidelines on severance and change of control agreements to help ensure that written severance or change of control agreements (each, a "Change of Control Agreement") are offered to our executive officers only if special business needs indicate that such agreements are necessary or advisable.

As part of assuming the role of President and Chief Executive Officer, on October 1, 2012, we entered into a Change of Control Agreement with our President and Chief Financial Officer, Brian Bronson. Mr. Bronson's Change of Control Agreement provides that if we terminate his employment with us (other than for cause, death or disability), or if he terminates his employment with us for good reason within 12 months following a change of control or within three months preceding a change of control, Mr. Bronson is entitled to receive severance pay in a cash amount equal to 24 months of Mr. Bronson's annual base pay at the highest annual rate in effect at any time within the 12-month period preceding the date of termination. Severance pay that is payable would be made 100 days following the termination date. Upon such termination, and in addition to severance pay, Mr. Bronson is also entitled to receive (i) up to twelve months of continued coverage pursuant to COBRA under the Company's group health plan, (ii) stock-based incentive compensation plan payout under our LTIP pursuant to the terms of and within the periods specified in the LTIP and his stock-based incentive compensation plan payout under each other stock-based incentive compensation plan, partial cash-based incentive compensation plan payout, if any and (iii) up to \$15,000 for the costs and expenses of any executive outplacement firm. Upon such termination, all stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units and other similar awards granted to Mr. Bronson shall be immediately exercisable in full in accordance with the applicable provisions of the relevant award agreement and the plan; and any risk of forfeiture included in any restricted stock or other similar award shall immediately lapse. Stock options (other than those considered Incentive Stock Options) and stock appreciation rights shall also be amended to permit Mr. Bronson to exercise such stock options and stock appreciation rights for a period of time equal to the earlier of (i) the period of 180 days after the date of Mr. Bronson's termination; or (ii) the date that each stock option and stock appreciation right would otherwise expire by its original terms had Mr. Bronson not been terminated. Had a triggering event occurred on December 31, 2014, such that Mr. Bronson would become entitled to benefits under his Change of Control Agreement, Mr. Bronson would have been entitled to the payments detailed below.

As part of assuming the role of President and Chief Executive Officer, on October 1, 2012, we entered into an Executive Severance Agreement ("Severance Agreement") with Brian Bronson. Mr. Bronson's Severance Agreement provides that if we terminate his employment (other than for cause, death or disability) or if he terminates his employment with us for good reason and contingent on Mr. Bronson signing a release agreement, Mr. Bronson will be entitled to (i) a payment amount equal to 24 months base pay, (ii) up to twelve months of continued coverage pursuant to COBRA under the Company's group health plan, (iii) stock-based incentive compensation plan payout under our LTIP pursuant to the terms of and within the periods specified in the LTIP and under each other stock-based incentive compensation plan, (iv) partial cash-based incentive compensation plan payout, if any, and (v) up to \$15,000 for the costs and expenses of any executive outplacement firm. Had Mr. Bronson's employment been terminated by us without cause on December 31, 2014, Mr. Bronson would have become entitled to receive the benefits described below.

| Brian Bronson | Termination Following a Change of Control | Termination Under Executive Severance Agreement |
|---------------------------|--|---|
| Severance Payments | \$1,000,000 | \$1,000,000 |
| Performance RSU | \$301,640 | \$41,240 |
| Equity Acceleration (3) | \$21,842 | \$0 |
| Health Insurance Benefits | \$17,419 | \$17,419 |

| | | |
|-------|-------------|-------------|
| TOTAL | \$1,340,901 | \$1,058,659 |
|-------|-------------|-------------|

(1) Performance restricted stock units to acquire 128,906 shares under the LTIP would have accelerated and vested. Under the terms of Mr. Bronson's Change of Control Agreement, the LTIP award, as well as other compensation payments paid or payable to the executive that are contingent upon a change of control, would be reduced to avoid triggering excise tax under the parachute payment rules of the Code if such reduction would result in the executive receiving an after-tax amount greater than what would be received if the excise tax were paid.

(2) Represents the value of 17,624 performance RSU shares earned under the LTIP as measured at December 31, 2014.

(3) Options to acquire 506,269 shares would have accelerated and vested with an intrinsic value of \$0 as of December 31, 2014. Restricted stock with a market value of \$21,842 would have accelerated and vested.

As part of his confirmation as Chief Financial Officer, on February 1, 2013, we entered into a Change of Control Agreement with Allen Muhich. Mr. Muhich's Change of Control Agreement provides that if we terminate his employment with us (other than for cause, death or disability), or if he terminates his employment with us for good reason within 12 months following a change of control or within three months preceding a change of control, Mr. Muhich is entitled to receive severance pay in a lump sum cash amount equal to 12 months of Mr. Muhich's annual base pay at the rate in effect immediately before the date of termination. The payment would be made within five days after execution of the release agreement. Upon such termination, and in addition to severance pay, Mr. Muhich is also entitled to receive (i) up to 12 months of continued coverage pursuant to COBRA under the Company's group health plan, (ii) partial cash-based incentive compensation plan payout, if any and (iii) stock-based incentive compensation plan payout under our LTIP pursuant to the terms of and within the periods specified in the LTIP and under each other stock-based incentive compensation plan. Also, upon such termination, all stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units and other similar awards granted to Mr. Muhich shall be immediately exercisable in full in accordance with the applicable provisions of the relevant award agreement and the plan; and any risk of forfeiture included in any restricted stock or other similar award shall immediately lapse. Stock options (other than those considered Incentive Stock Options) and stock appreciation rights shall also be amended to permit Mr. Muhich to exercise such stock options and stock appreciation rights for a period of time equal to the earlier of (i) the period of 180 days after the date of Mr. Muhich's termination; or (ii) the date that each stock option and stock appreciation right would otherwise expire by its original terms had Mr. Muhich not been terminated. Had Mr. Muhich's employment been terminated by us without cause, and if he had signed a release agreement, on December 31, 2014, Mr. Muhich would have become entitled to receive the payment described below.

As part of his confirmation as Chief Financial Officer, on February 1, 2013, we entered into an Executive Severance Agreement with Allen Muhich. If we terminate Mr. Muhich's employment with us other than for cause, death or disability or Mr. Muhich terminates employment with us for good reason and contingent upon Mr. Muhich signing a release agreement, Mr. Muhich is entitled to receive severance pay in a lump sum cash amount equal to 12 months of Mr. Muhich's annual base pay at the rate in effect immediately before the date of termination. The payment would be made within five days after execution of the release agreement. Upon such termination, and in addition to severance pay, Mr. Muhich is also entitled to receive (i) up to 12 months of continued coverage pursuant to COBRA under the Company's group health plan, (ii) partial cash-based incentive compensation plan payout, if any and (iii) stock-based incentive compensation plan payout under our LTIP pursuant to the terms of and within the periods specified in the LTIP and under each other stock-based incentive compensation plan. Had Mr. Muhich's employment been terminated by us without cause, and if he had signed a release agreement, on December 31, 2014, Mr. Muhich would have become entitled to receive the payment described below. Mr. Muhich was no longer an executive officer as of February 17, 2015, and he resigned from the Company effective March 6, 2015. No payments were made under the Executive Severance Agreement.

| Allen Muhich | Termination Under Change of Control Agreement | Termination Under Executive Severance Agreement |
|---------------------------|---|---|
| Severance Payments | \$ 296,400 | \$ 296,400 |
| Performance RSU | \$ 110,595 | \$ 15,121 |
| Equity Acceleration (3) | \$ 5,405 | \$ — |
| Health Insurance Benefits | \$ 18,463 | \$ 18,463 |
| TOTAL | \$ 430,863 | \$ 329,984 |

(1) Performance restricted stock units to acquire 47,263 shares under the LTIP would have accelerated and vested. Under the terms of Mr. Muhich's Change of Control Agreement, the LTIP award, as well as other compensation payments paid or payable to the executive that are contingent upon a change of control, would be reduced to avoid triggering excise tax under the parachute payment rules of the Code if such reduction would result in the executive receiving an after-tax amount greater than what would be received if the excise tax were paid.

(2) Represents the value of 6,462 performance RSU shares earned under the LTIP as measured at December 31, 2014.

(3) Options to acquire 51,084 shares would have accelerated and vested with an intrinsic value of \$0 as of December 31, 2014. Restricted stock with a market value of \$5,405 would have accelerated and vested.

As a result of his employment with us, on October 23, 2013, we entered into a Change of Control Agreement with Stephen Collins. Mr. Collins' Change of Control Agreement provides that if we terminate his employment with us (other than for cause, death or disability), or if he terminates his employment with us for good reason within 12 months following a change of control or within three months preceding a change of control, Mr. Collins is entitled to receive severance pay in a cash amount equal to nine months of Mr. Collins' annual base pay at the highest annual rate in effect at any time within the 12-month period preceding the date of termination. Upon such termination, and in addition to severance pay, Mr. Collins is also entitled to receive (i) up to nine months of continued coverage pursuant to COBRA under the Company's group health plan, (ii) partial cash-based incentive compensation plan payout, if any and (iii) stock-based incentive compensation plan payout under our LTIP pursuant to the terms of and within the periods specified in the LTIP and under each other stock-based incentive compensation plan. Had Mr. Collins' employment been terminated by us without cause, and if he had signed a release agreement, on December 31, 2014, Mr. Collins would have become entitled to receive the payments described below.

As a result of his employment with us, on October 23, 2013, we entered into an Executive Severance Agreement with Stephen Collins. If we terminate Mr. Collins' employment with us other than for cause, death or disability or Mr. Collins terminates employment with us for good reason and contingent upon Mr. Collins signing a release agreement, Mr. Collins is entitled to receive severance pay in a lump sum cash amount equal to six months of Mr. Collins' annual base pay at the rate in effect immediately before the date of termination. The payment would be made within five days after execution of the release agreement. Upon such termination, and in addition to severance pay, Mr. Collins is also entitled to receive (i) up to six months of continued coverage pursuant to COBRA under the Company's group health plan, (ii) partial cash-based incentive compensation plan payout, if any and (iii) stock-based incentive compensation plan payout under our LTIP pursuant to the terms of and within the periods specified in the LTIP and under each other stock-based incentive compensation plan. Had Mr. Collins' employment been terminated by us without cause, and if he had signed a release agreement, on December 31, 2014, Mr. Collins would have become entitled to receive the payments described below.

| Stephen Collins | Termination Under Change of Control Agreement | Termination Under Executive/Severance Agreement |
|---------------------------|---|---|
| Severance Payments | \$202,500 | \$135,000 |
| Performance RSU (1) | \$27,495 | \$27,495 |
| Health Insurance Benefits | \$20,518 | \$13,678 |
| TOTAL | \$250,513 | \$176,173 |

(1) Represents the value of 11,750 performance RSU shares earned under the LTIP as measured at December 31, 2014.

As a result of management changes and to support current regulations, on August 1, 2012, we entered into an Executive Severance Agreement with Keate Despain. If we terminate Mr. Despain's employment with us other than for cause, death or disability or Mr. Despain terminates employment with us for good reason and contingent upon Mr. Despain signing a release agreement, Mr. Despain is entitled to receive severance pay in a lump sum cash amount equal to six months of Mr. Despain's annual base pay at the rate in effect immediately before the date of termination. The payment would be made within five days after execution of the release agreement. Upon such termination, and in addition to severance pay, Mr. Despain is also entitled to receive (i) up to six months of continued coverage pursuant to COBRA under the Company's group health plan, (ii) partial cash-based incentive compensation plan payout, if any and (iii) stock-based incentive compensation plan payout under our LTIP pursuant to the terms of and within the

periods specified in the LTIP and under each other stock-based incentive compensation plan. Mr. Despain's employment terminated on February 6, 2015. Pursuant to his Severance Agreement, Mr. Despain has received the payments below.

On February 3, 2015, we entered into a Transition Agreement with Mr. Despain. Under the terms of the Transition Agreement, if Mr. Despain assisted the Company in the transition of his responsibilities and satisfied other conditions, the Company would reimburse Mr. Despain up to \$5,000 of eligible outplacement services. Mr. Despain's employment terminated on February 6, 2015. Pursuant to his Transition Agreement, Mr. Despain has received the payments described below.

| Keate Despain | Termination Under Employment/Severance Agreement | Termination Under Transition Agreement |
|---------------------------|--|---|
| Severance Payments | \$136,500 | \$— |
| Health Insurance Benefits | \$10,634 | \$— |
| Career Assistance | \$— | \$5,000 |
| TOTAL | \$147,134 | \$5,000 |

As a result of his employment with us, on March 9, 2010, we entered into an Employment Agreement with Grant Henderson. Mr. Henderson's Employment Agreement provides that if we terminate his employment with us (other than for cause), Mr. Henderson is entitled to receive (i) six weeks of notice or the equivalent of six weeks of base salary, or any combination thereof, if termination of employment occurs during the first year of employment; and (ii) an additional six weeks of base salary for each additional completed year of service, up to a total combined maximum of eighteen months. Upon such termination, and in addition to severance pay, Mr. Henderson is also entitled to receive stock-based incentive compensation plan payout under our LTIP pursuant to the terms of and within the periods specified in the LTIP and under each other stock-based incentive compensation plan. Had Mr. Henderson's employment been terminated by us without cause, and if he had signed a release agreement, on December 31, 2014, Mr. Henderson would have become entitled to receive the payments described below.

| Grant Henderson | Termination Under Employment Agreement |
|---------------------|---|
| Base Salary | \$95,482 |
| Performance RSU (1) | \$15,121 |
| TOTAL | \$110,603 |

(1) Represents the value of 6,462 performance RSU shares earned under the LTIP as measured at December 31, 2014.

2014 DIRECTOR COMPENSATION

| | Fees Earned or Paid in Cash | Stock Awards (1) | Option Awards (2) | Non-Equity Incentive Plan Compensation | Change in Pension Value and Nonqualified Deferred compensation Earnings (2) | All Other Compensation | Total |
|-------------------------|--------------------------------------|------------------------|-------------------------|--|---|---------------------------|-----------|
| C. Scott Gibson | \$101,250 | \$55,000 | — | — | — | — | \$156,250 |
| Hubert de Pesquidoux | \$63,750 | \$55,000 | — | — | — | — | \$118,750 |
| Kevin C. Melia (3) | \$30,750 | \$55,000 | — | — | — | — | \$85,750 |
| David Nierenberg (4) | \$2,125 | \$0 | — | — | — | — | \$2,125 |
| M. Niel Ransom | \$54,750 | \$55,000 | — | — | — | — | \$109,750 |
| Lorene K. Steffes | \$62,500 | \$55,000 | — | — | — | — | \$117,500 |
| Vincent H. Tobkin | \$56,750 | \$55,000 | — | — | — | — | \$111,750 |

The amounts included in the Stock Awards and Option Awards columns include the aggregate grant date fair value of stock and option awards granted in the fiscal year computed in accordance with ASC 718. We continue to use the Black-Scholes model to measure the grant date fair value of stock options and the amounts above do not include any forfeiture reserve. For a discussion of the valuation assumptions used to value the options, see Note 17 (1) to our Consolidated Financial Statements included in our annual report on Form 10-K for the fiscal year ended December 31, 2014. A supplemental table following these footnotes sets forth: (i) the aggregate number of stock awards and option awards outstanding at 2014 fiscal year end; (ii) the aggregate number of stock awards and options awards granted during fiscal 2014; and (iii) the grant date fair value of equity awards granted by us during fiscal 2014 to each of our directors who was not an executive officer.

The 2014 Director Compensation Table only requires disclosure of above-market or preferential returns on nonqualified deferred compensation. Participants in our Non-Qualified Deferred Compensation Plan make voluntary contributions to their accounts. Participants elect to benchmark earnings on their accounts to the performance of third-party investment funds available to them under the Non-Qualified Deferred Compensation Plan. Participants select from among the funds available to them. Earnings are calculated and applied to participant (2) accounts daily and may be positive or negative, based on individual fund performance. Although the funds offered to participants under our Non-Qualified Deferred Compensation Plan differ from those under our 401(k) plan, the number of funds and investment objectives of each fund are similar to those under the 401(k) plan. In accordance with SEC rules and publicly available interpretations of these rules by the SEC Staff, earnings on deferred compensation invested in third-party investment vehicles, such as mutual funds, need not be reported as compensation on the Director Compensation Table.

(3) Mr. Melia passed away on June 17, 2014.

(4) Mr. Nierenberg resigned from our Board, effective January 17, 2014.

Additional Information With Respect to Director Equity Awards

| Name | Option Awards Outstanding at 2014 Fiscal Year End (#) (1) | Stock Awards Outstanding at 2014 Fiscal Year End (#) (2) | Option Awards Granted during Fiscal 2014 (#) (1) | Stock Awards Granted during Fiscal 2014 (#) (2) | Grant Date Fair Value of Option Awards Granted in Fiscal 2014 (3) | Grant Date Fair Value of Stock Awards Granted in Fiscal 2014 (3) |
|----------------------|---|--|--|---|---|--|
| C. Scott Gibson | 48,000 | 7,554 | — | 15,110 | — | \$55,000 |
| Hubert de Pesquidoux | 7,000 | 8,888 | — | 15,110 | — | \$55,000 |
| Kevin C. Melia | 42,000 | — | — | 15,110 | — | \$55,000 |
| David Nierenberg | — | — | — | — | — | — |
| M. Niel Ransom | 7,000 | 7,554 | — | 15,110 | — | \$55,000 |
| Lorene K. Steffes | 52,000 | 7,554 | — | 15,110 | — | \$55,000 |
| Vincent H. Tobkin | 7,000 | 8,888 | — | 15,110 | — | \$55,000 |

(1) Includes both vested and unvested options to purchase our common stock.

Stock grants to our Board are made pursuant to the terms of the 2007 Stock Plan. Grants of restricted stock unit (2) awards in 2014 vest 25% of the total shares on each of the following dates: July 1, 2014, October 1, 2014, January 1, 2015, and April 1, 2015.

Amounts in this column represent the fair value of stock options and stock awards, calculated in accordance with ASC 718. For option awards, that number is calculated by multiplying the Black-Scholes value by the number of (3) options awarded and the amounts above do not include any forfeiture reserve. For stock awards, that number is calculated by multiplying the fair market value on the grant date by the number of stock awards granted.

Narrative Disclosure of Director Compensation

During 2014, each director who was not employed by us was compensated per the chart below. Director compensation is reviewed on an annual basis. Compensation adjustments, if determined appropriate, are typically effective April 1st. The Committee approved an increase to the annual Board and Chairman of the Board retainer that took effect April 1, 2014.

| | Effective from April 1, 2012 | Effective April 1, 2014 |
|---|------------------------------|-------------------------|
| Director annual retainer | \$35,000 | \$40,000 |
| Chairman of the Board annual retainer | \$75,000 | \$80,000 |
| Audit Committee Chairman | \$20,000 | \$20,000 |
| Compensation and Development Committee Chairman | \$14,000 | \$14,000 |
| Nominating and Governance Committee Chairman | \$11,000 | \$11,000 |
| Strategic Oversight Committee Chairman | \$11,000 | \$11,000 |
| Audit Committee membership | \$10,000 | \$10,000 |
| Compensation and Development Committee membership | \$7,500 | \$7,500 |
| Nominating and Governance Committee membership | \$5,000 | \$5,000 |
| Strategic Oversight Committee membership | \$5,000 | \$5,000 |

Effective January 2012, non-employee directors are expected to acquire and hold a minimum of common stock worth six times the annual retainer or 20,000 shares, whichever is the lesser value. They must purchase at least 10,000 shares in the open market. The minimum amount is expected to be reached within three to five years of becoming a director. Directors must reach the minimum stock ownership guidelines prior to selling any shares of Company stock. Of our non-employee directors, two have

already reached this ownership goal and three are within the three to five year period to reach this goal. Directors who are our employees receive no separate compensation as directors.

In addition, non-employee directors received an equity grant with a value of \$55,000, or 15,110 restricted stock units in 2014. The restricted stock units will vest 25% of the total shares on July 1, 2014, October 1, 2014, January 1, 2015 and April 1, 2015. Newly appointed directors receive a similar grant of 7,000 non-qualified stock options and 4,000 restricted stock units upon appointment to the Board with “refresher” annual equity grants to commence immediately upon appointment if appointment occurs after granting of the annual Board refresher grants or during the next annual refresher cycle for the full Board if appointed prior to the granting of the annual Board refresher grants. Directors are also reimbursed for reasonable expenses incurred in attending meetings.

On February 20, 2014, the Committee adopted a standing policy with respect to outstanding awards granted to the non-employee members of the Board under the 2007 Stock Plan. Under the standing policy, pursuant to Section 16(c)(iii) of the 2007 Stock Plan, in the event of a Transaction (as defined in the 2007 Stock Plan) that results in a change of control of the Company, all time-based vesting conditions shall be accelerated immediately prior to the effective time of such a Transaction without any further action by the Committee or the Board.

During 2013, the Board approved the termination of the Radisys Corporation Deferred Compensation Plan (the “Deferred Compensation Plan”), including in respect of deferrals of compensation under the Deferred Compensation Plan prior to January 1, 2005 (such portion of the Deferred Compensation Plan, the “Grandfathered Plan”). The Deferred Compensation Plan (other than in respect of the Grandfathered Plan) was terminated effective August 31, 2013 and the Grandfathered Plan was terminated effective September 1, 2014. The distribution of plan assets and participant balances under the Grandfathered Plan took place from September 2014 through January 2015. Participants with an account balance in the Grandfathered Plan were paid out in the form designated by the participant at the time of deferral. All other account balances under the Deferred Compensation Plan were paid out in a lump sum in September 2014.

Each member of our Board was previously eligible to participate in the Deferred Compensation Plan. The Deferred Compensation Plan provided the members of our Board the opportunity to defer up to 100% of compensation (includes annual retainer and committee fees). Contributions by the members of our Board were credited on the date they would otherwise have been paid to the participant. We made no contributions on behalf of our Board members who participated in the Deferred Compensation Plan.

Participants selected from among the fund(s) available to them. Earnings were calculated and applied to participant accounts daily and could be positive or negative, based on individual fund performance.

Assessment of Risk Related to Compensation Policies and Practices

We regularly review and assess our compensation policies and practices to determine whether they are reasonably likely to have a material adverse effect on the Company. The assessment is conducted by management, which reviews both our equity and cash incentive compensation programs for the presence of certain elements that could encourage our employees to take unnecessary or excessive risks; the ratios and level of incentive to fixed compensation, annual to long-term compensation and cash to equity compensation; the percentage of compensation expense as compared to the business unit's revenues; and the presence of other design features that may serve to mitigate risk taking, such as the use of multiple performance measures, caps on payments and similar features. Management's assessment of our compensation policies is then reviewed by the Committee and discussed with the entire Board in connection with the risk oversight function.

We have concluded that our programs are appropriately tailored to encourage employees to grow our business, but not encourage them to do so in a way that poses unnecessary or excessive material risk to us. More specifically, our compensation programs are designed to balance the following elements: compensation that rewards different aspects

of short-term and long-term performance; incentive compensation that rewards performance based on a variety of different shared and individual objectives; awards that are paid based on results, awards paid in cash and awards paid in equity, which have a value that depends on long-term shareholder return; and compensation with fixed and variable components, so that executives have both competitive remuneration to encourage retention and opportunities to earn more by successfully executing our business strategy.

In addition, our compensation programs incorporate controls such as caps on potential payouts under incentive plans (to reduce incentives to sacrifice long-term performance for short-term goals). Overall, while risk is a necessary element in any business strategy, we have concluded that our compensation policies and practices, when coupled with our personnel performance and development programs, provide an appropriate balance to encourage superior performance while mitigating excessive risk-taking.

Compensation Committee Interlocks and Insider Participation

None.

COMPENSATION AND DEVELOPMENT COMMITTEE
REPORT ⁽¹⁾

We have reviewed and discussed the foregoing Compensation Discussion and Analysis with management. Based on our review and discussion with management, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Radisys Corporation annual report on Form 10-K for the year ended December 31, 2014, as amended.

C. Scott Gibson
Lorene K. Steffes, Chair
Vincent H. Tobkin

(1) This Compensation and Development Committee Report is not "soliciting material," is not deemed "filed" with the SEC and is not to be incorporated by reference in any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, regardless of date or any general incorporation language in such filing.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Security Ownership Information

The following table sets forth information regarding the beneficial ownership of our common stock as of April 28, 2015 (or such other date as otherwise indicated in the footnotes below) by (i) each person known by us to be the beneficial owner of more than 5% of our common stock, (ii) each of our directors and nominees for directors, (iii) each “named executive officer” named in the Summary Compensation Table and (iv) all of our directors and executive officers as a group. Unless otherwise noted in the footnotes to the table, the persons named in the table have sole voting and investment power with respect to all outstanding shares of common stock shown as beneficially owned by them.

| Name | Shares Beneficially Owned | Percentage of Common Stock (1) |
|---|---------------------------|--------------------------------|
| CURRENT DIRECTORS | | |
| C. Scott Gibson (2) | 153,154 | * |
| Hubert de Pesquidoux (2) | 50,285 | * |
| M. Niel Ransom (2) | 58,810 | * |
| Lorene K. Steffes (2) | 97,110 | * |
| Vincent H. Tobkin (2) | 46,370 | * |
| CURRENT NAMED EXECUTIVE OFFICERS | | |
| Brian Bronson (2) | 955,613 | 2.55% |
| Stephen Collins (2) | 58,396 | * |
| Grant Henderson (2) | 133,114 | * |
| Jonathan Wilson (2) | 12,793 | * |
| All directors and officers as a group (9 persons) (2) | 1,565,645 | 4.15% |
| FORMER EXECUTIVE OFFICERS | | |
| Keate Despain (2) (3) | 142,268 | * |
| Allen Muhich (2) (4) | 122,972 | * |
| PRINCIPAL SHAREHOLDERS | | |
| Blackrock Inc. (5) 40 East 52nd Street New York, NY 10022 | 1,848,473 | 5.03% |
| The D3 Family Funds, L.P. (6) Nierenberg Investment Management Company 19605 NE 8th Street Camas, WA 98607 | 3,485,055 | 9.49% |
| Diker GP, LLC and Diker Management, LLC (7) 730 Fifth Avenue, 15th Floor New York, NY 10019 | 1,989,598 | 5.42% |
| Royce & Associates, LLC (8) 745 Fifth Avenue New York, NY 10151 | 2,337,179 | 6.36% |
| Vertex Capital Advisors, LLC (9) 825 Third Avenue, 33rd Floor New York, NY 10022 | 3,248,274 | 8.85% |
| Wellington Management Company (10) 280 Congress Street | 2,464,662 | 6.71% |

Boston, MA 02210

* Less than 1%

(1) Percentage ownership is calculated based on 36,721,875 shares of our common stock outstanding on April 28, 2015.

(2) Includes options to purchase shares of our common stock exercisable within 60 days after April 28, 2015 or restricted stock units that will vest within 60 days after April 28, 2015 as set forth below.

| Name | Options to Purchase Shares | Restricted Stock Units |
|----------------------|----------------------------|------------------------|
| Brian Bronson | 777,109 | — |
| Stephen Collins | 35,555 | — |
| Keate Despain | 122,404 | — |
| Hubert de Pesquidoux | 7,000 | — |
| C. Scott Gibson | 48,000 | — |
| Grant Henderson | 96,373 | — |
| Allen Muhich | 86,683 | — |
| M. Niel Ransom | 7,000 | — |
| Lorene K. Steffes | 37,000 | — |
| Vincent H. Tobkin | 7,000 | 1,334 |
| Jonathan Wilson | 6,376 | — |

(3) Mr. Despain was no longer an executive officer as of January 17, 2014 and is no longer with the company.

(4) Mr. Muhich was no longer an executive officer as of February 17, 2015 and is no longer with the company.

Based solely on information set forth in Schedule 13G filed on February 3, 2015, filed with the SEC. According to (5) the filing of Blackrock Inc., Blackrock Inc. has sole voting power for 1,817,877 shares, sole dispositive power for 1,848,473 shares, shared voting power for zero shares and shared dispositive power for zero shares.

David Nierenberg is the President of Nierenberg Investment Management Company, Inc. (“NIMCO”), which manages The D3 Family Funds. David Nierenberg, NIMCO and The D3 Family Funds have joint beneficial ownership and shared voting authority over 3,485,055 shares of our common stock. The shares reported herein are (6) based on information set forth in Schedule 13D/A filed by The D3 Family Funds with the SEC on November 12, 2014. Mr. Nierenberg disclaims beneficial ownership by the four partnerships of NIMCO except to the extent of his own general partner & limited partner investments in each of the funds. Mr. Nierenberg resigned as a Director effective January 17, 2014.

Based solely on information set forth in Schedule 13G filed on February 17, 2015. According to the filings made, Diker GP, LLC (“Diker GP”), Diker Management, LLC (“Diker Management”), Charles M. Diker and Mark N. Diker each have sole voting power for zero shares, sole dispositive power for zero shares, shared voting power for 1,989,598 shares and shared dispositive power for 1,989,598 shares. In its capacity as the sole general partner of (7) the Diker Funds, Diker GP may be deemed to beneficially own 1,989,598 shares of common stock. In its capacity as investment manager of the Diker Funds, Diker Management may be deemed to beneficially own 1,989,598 shares of common stock. In their capacity as managing members of each of Diker GP and Diker Management, Charles M. Diker and Mark N. Diker may be deemed to beneficially own 1,989,598. Diker GP, Diker Management, Charles M. Diker and Mark N. Diker disclaim all beneficial ownership.

(8) Based solely on information set forth in Schedule 13G filed on January 20, 2015. According to the filing of Royce & Associates, LLC, Royce & Associates, LLC has sole voting power for 2,337,179 shares, sole dispositive power

for 2,337,179 shares, has shared voting power for zero shares and shared dispositive power for zero shares.

Based solely on information set forth in Schedule 13D filed on February 4, 2015. According to the filings made by
(9) Vertex Capital Advisors, LLC ("Vertex Capital"), Vertex Opportunities Fund, LP ("Vertex Opportunities") has sole voting power for zero shares, sole dispositive power for zero shares, shared voting power for 1,628,535 shares and shared dispositive power for 1,628,535 shares and Vertex Special Opportunities II, LP ("VSO II") has sole voting

power for zero shares, sole dispositive power for zero shares, shared voting power for 1,619,739 shares and shared dispositive power for 1,619,739 shares. In its capacity as the general partner of Vertex Opportunities, Vertex GP, LLC ("Vertex GP") may be deemed to beneficially own 1,628,535 shares of common stock. In its capacity as the general partner of VSO II, Vertex Special Opportunities GP II, LLC ("VSO GP II") may be deemed to beneficially own 1,619,739 shares of common stock. In its capacity as the investment manager of Vertex Opportunities and VSO II, Vertex Capital may be deemed to beneficially own 3,248,274. In his capacity as managing member of Vertex GP, VSO GP II and Vertex Capital, Erica Singer may be deemed to beneficially own 3,248,274 shares of common stock.

Based solely on information set forth in Schedule 13G filed February 12, 2015. According to the filings made, Wellington Trust Company, NA ("Wellington Trust") and Wellington Management Company, LLP ("Wellington Management", and together with Wellington Trust, "Wellington"), Wellington has sole voting power for zero (10) shares, sole dispositive power for zero shares, shared voting power for 2,464,662 shares and shared dispositive power for 2,464,662 shares. According to the filings made by Wellington, Wellington reported that in its capacity as an investment adviser, Wellington may be deemed to beneficially own 2,464,662 shares of common stock which are held of record by clients of Wellington.

Equity Compensation Plan Information

Information with respect to shares of common stock of the Company that may be issued under the Company's equity compensation plans as of December 31, 2014, was included in Item 12 of the Original Filing.

Description of Equity Compensation Plans Not Adopted by Shareholders

Radisys Corporation Inducement Stock Plan for CCPU Employees

On July 5, 2011, the Committee adopted the Radisys Corporation Inducement Stock Plan for CCPU Employees ("CCPU Inducement Stock Plan") for awards to be made in connection with our acquisition of Continuous Computing ("CCPU"). The CCPU Inducement Stock Plan was adopted without shareholder approval in reliance upon the exception provided under the Nasdaq Listing Rule 5635(c)(4) relating to awards granted to new employees of the Company, including grants to transferred employees in connection with a merger or other acquisition. The CCPU Inducement Stock Plan became effective as of July 8, 2011. The CCPU Inducement Stock Plan permits the granting of stock options, restricted stock and restricted stock units. The maximum number of shares of common stock with respect to which awards may be granted is 600,000 shares (subject to adjustment in accordance with the CCPU Inducement Stock Plan). In order to comply with Nasdaq Listing Rule 5635, the awards may only be granted to employees transferred from CCPU in connection with our acquisition of CCPU and in connection with the future hiring of new employees of CCPU by us. Unless sooner terminated by our Board of Directors, the CCPU Inducement Stock Plan will terminate on the tenth anniversary of its effective date of July 8, 2011. The CCPU Inducement Stock Plan provides that the Committee will determine the option price at which common stock may be purchased, but the price will not be less than the fair market value of the common stock on the date the option is granted. The Committee will determine the term of each option, but no option will be exercisable more than seven years after the date of grant. The CCPU Inducement Stock Plan provides for certain terms and conditions pursuant to which restricted stock and restricted stock units may be granted under the CCPU Inducement Stock Plan. Each grant of restricted stock and restricted stock units must be evidenced by an award agreement in a form approved by the Committee. The vesting of restricted stock or restricted stock units may be conditioned upon the completion of a specified period of employment, upon attainment of specified performance goals and/or upon such other criteria as the Committee determines.

Sixth Amended and Restated Continuous Computing Corporation 1998 Stock Incentive Plan

On July 8, 2011, in connection with the acquisition of CCPU, each outstanding, unvested option granted under the Sixth Amended and Restated 1998 Continuous Computing Corporation Stock Incentive Plan (as amended, the “CCPU Legacy Plan”) (each such option, a “CCPU Option”) was assumed by the Company and converted into an option to acquire Company common stock at the applicable exchange ratio. Although the CCPU Legacy Plan was suspended at such time and no further awards will be granted under the CCPU Legacy Plan, each outstanding CCPU Option continues to be governed by the terms and conditions of the CCPU Legacy Plan and the applicable award agreement, as modified by the Agreement and Plan of Merger, dated May 2, 2011, by and among the Company, CCPU, Shareholder Representative Services, LLC and Radisys Holdings, Inc. (as amended, the “Merger Agreement”). A portion of the CCPU Options remain subject to certain contingencies associated with the earnout pursuant to Section 6.11 of the Merger Agreement (such options, the “Contingent Assumed Options”). The CCPU Legacy Plan was assumed by the Company without shareholder approval in reliance upon the exception

provided under Nasdaq Listing Rule 5635(c)(3). As of December 31, 2013, 131,191 CCPU Options remain outstanding, of which 66,350 were Contingent Assumed Options. The CCPU Options vest over a four year period from the original grant date and have an expiration date of 10 years from the original grant date. The CCPU Legacy Plan also provides that upon a Change in Control (as defined in the CCPU Legacy Plan), to the extent such options have not been assumed, substituted or replaced in accordance with the terms of the CCPU Legacy Plan, all unvested CCPU Options will become fully exercisable thirty (30) days before the effective date of such Change in Control, except that Contingent Assumed Options will not become exercisable until such options have been released in accordance with Section 6.11 of the Merger Agreement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Related Party Transactions Policy

The Company has established procedures regarding approval of transactions between the Company and any employee, officer, director and other related persons, including those required to be reported under Item 404 of Regulation S-K. Under the Company's Code of Conduct and Ethics, directors, officers and employees are required to evaluate their relationships, circumstances and actions, such as having a direct or indirect business connection with our customers, suppliers or competitors or being involved in a close personal relationship with an employee of a Company's business partner, and to report any potential conflict of interest situation to a manager or other appropriate person or authority. When such conflict of interest or related party transaction constitutes a transaction required to be disclosed under Item 404 of Regulation S-K, our Audit Committee Charter provides that such transaction must be approved by the Audit Committee prior to initiation of any such transaction. Each member of the Audit Committee uses his or her business judgment in light of the facts and circumstances available in determining whether to vote to approve or disapprove such related party transaction.

Related Party Transactions

In July 2011, Radisys acquired CCPU pursuant to the Merger Agreement, resulting in a change in the Company's senior leadership and a redefined business strategy. The aggregate consideration to be paid to the former shareholders of CCPU pursuant to the terms of the Merger Agreement was approximately \$100,985,855. In addition to consideration paid to shareholders of CCPU at the closing of the acquisition, we were required, pursuant to the terms of the Merger Agreement, to (i) deposit shares of the Company's common stock ("Escrow Stock Consideration") into an escrow account (the "Escrow Account") to serve as security for indemnification obligations of the Company and as security for certain amounts that may be required to be reimbursed to us pursuant to the Merger Agreement and (ii) make certain earn-out payments (the "Earn-Out Payments;" and together with the Escrow Stock Consideration, the "CCPU Share Consideration") to the former CCPU shareholders based on the amount of royalty revenues generated by a specific set of contracts associated with CCPU's Trillium products recognized over a period of 36 months beginning on August 1, 2011 (the "Commencement Date"). At the time of the closing of the transactions contemplated by the Merger Agreement, the Escrow Stock Consideration had approximate dollar value of \$11,279,885 while the approximate dollar value of the Earn-Out Payments was estimated to be \$10.8 million based on the Company's estimate of eligible future royalty revenues over the earn-out period.

Pursuant to the terms of the Merger Agreement, (i) subject to any indemnification claims made against Radisys, one-half of the Escrow Stock Consideration was released to CCPU shareholders on July 8, 2012 with the remainder released on January 8, 2013 and (ii) we will make Earn-Out Payments in cash in three installments following the 18-, 24- and 36-month anniversaries of the Commencement Date (as defined in the Merger Agreement) in each case equal to the amount of such royalty revenues during the immediately preceding 18-month, six-month or 12-month period, as applicable, except that, in lieu of making any and all Earn-Out Payments, we were permitted to elect, at any time prior

to the fifth business day following the determination of any Earn-Out payment to be paid with respect to the first 18-month period, to make a one-time payment in cash and/or, subject to certain share issuance requirements, shares of the Company's common stock with a combined aggregate value of \$15,000,000. The Company did not elect to make such payment.

The transactions contemplated by the Merger Agreement were approved unanimously by the Board of Directors.

Amit Agarwal, our former Vice President and General Manager, Software and Solutions, was previously the Chief Operating Officer of CCPU, who joined us following the acquisition of CCPU. He was no longer an executive officer and his employment ceased on January 17, 2014. The approximate dollar value of Mr. Agarwal's interest in the transactions contemplated by the Merger Agreement is summarized below:

| Name | Merger Consideration Received in Cash-2011 (1) | Merger Consideration Received in Radisys Shares-2011 (1) | Assumed Stock Options (Intrinsic Value) (2) | Escrow Merger Consideration Received in Shares - 2012 & 2013 | Contingent Merger Consideration (Cash) (3) | Contingent Assumed Stock Options (Intrinsic Value) (4) | Total |
|--------------|--|--|---|--|--|--|-----------|
| Amit Agarwal | \$423,987 | \$105,655 | \$141,178 (4) | \$92,594 (5) | \$14,176 | \$1,245 | \$777,590 |

(1) Valued at \$8.39, which is the closing price of our stock on the closing date of the merger.

Intrinsic value represents the aggregate market value on the closing date of the merger less the aggregate exercise

(2) price and includes stock options for which exercisability is subject to the attainment of time-based vesting schedule and the payment of contingencies pursuant to Section 6.11 of the Merger Agreement.

(3) Represents earn-out payments and payments under the Holder Representative Fund which were subject to timing described above.

On July 8, 2012 and January 8, 2013, escrow was released and assumed options subject to the escrow ceased to be contingent. Assumed option shares subject to escrow had an intrinsic value of \$15,523.81 and \$6,396.46,

(4) respectively. On April 12, 2013, October 18, 2013 and October 18, 2014, earnout distributions were released and a portion of assumed options subject to earnout ceased to be contingent. On those dates, assumed option shares subject to earnout had an intrinsic value of \$878.63, \$93.14 and \$261.60, respectively.

(5) On July 8, 2012 and January 8, 2013, escrow was released. Such shares had a value of \$62,425 and \$30,169, respectively.

Director Independence

Our Board of Directors has affirmatively determined that each of C. Scott Gibson, Hubert de Pesquidoux, M. Niel Ransom, Lorene K. Steffes and Vincent H. Tobkin are "independent directors" as defined by the SEC rules and within the meaning of the Nasdaq Listing Rule 5605(a)(2) and, therefore, a majority of our Board of Directors is currently independent as so defined.

Item 14. Principal Accounting Fees and Services

| Fee Category | Fiscal 2013 | Fiscal 2014 |
|--------------------|-------------|-------------|
| Audit Fees | \$791,172 | \$861,599 |
| Audit-Related Fees | \$0 | \$0 |
| Tax Fees | \$73,260 | \$174,372 |
| All Other Fees | \$1,650 | \$1,650 |
| Total Fees | \$866,082 | \$1,037,621 |

Audit Fees. This category includes the audit of the Company's annual financial statements, review of financial statements included in the Company's Quarterly Reports on Form 10-Q, Section 404 internal control audit and services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements for those fiscal years. This category also includes advice on audit and accounting matters that arose during, or as a result of the audit or the review of interim financial statements.

Tax Fees. This category consists of professional services rendered by KPMG for tax compliance and other tax related services. The services for the fees disclosed under this category primarily consist of international tax return preparation, technical consulting and other international tax related services.

All Other Fees. This category consists of KPMG's Accounting Research Online tool.

Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

The Audit Committee pre-approved all of the services described above that were provided during 2013 and 2014 in accordance with the pre-approval requirements of the Sarbanes-Oxley Act of 2002. Accordingly, there were no services for which the de minimus exception, as defined in Section 202 of the Sarbanes-Oxley Act, was applicable. The Audit Committee has considered whether the provision of the services covered by these fees is compatible with maintaining the principal auditor's independence. The Audit Committee has adopted a policy for the pre-approval of services provided by the independent registered public accounting firm. Under the policy, all audit and non-audit services to be performed by the independent registered public accounting firm must be presented to the Audit Committee in writing prior to the commencement of such services. The proposal must include a description and purpose of the services, estimated fees and other terms of the engagement. The Audit Committee may delegate to the Chairman of the Audit Committee the authority to grant pre-approvals. Any pre-approvals made by the Chairman pursuant to this delegation shall be presented to the full Audit Committee at its next scheduled meeting following such pre-approvals.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) (1) and (2) No financial statements or schedules are filed with this report on Form 10-K/A.

(a) (3) Exhibits

| Exhibit No | Description |
|------------|---|
| 2.1 | Amended and Restated Asset Purchase Agreement, dated September 12, 2007, by and between the Company and Intel Corporation. Incorporated by reference from Exhibit 2.1 to the Company's Current Report on Form 8-K/A, filed on November 1, 2007 (SEC File No. 000-26844). |
| 2.2 | Transition Services Agreement, dated September 12, 2007, by and between the Company and Intel Corporation (portions of the exhibit have been omitted pursuant to a request for confidential treatment to the Commission). Incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2007, filed on November 8, 2007 (SEC File No. 000-26844). |
| 2.3 | Warranty Services Agreement, dated September 12, 2007, by and between the Company and Intel Corporation (portions of the exhibit have been omitted pursuant to a request for confidential treatment to the Commission). Incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2007, filed on November 8, 2007 (SEC File No. 000-26844). |
| 2.4 | Arrangement Agreement among the Company, Convedia Corporation and RadiSys Canada Inc., effective as of July 26, 2006. Incorporated by reference from Exhibit 2.1 to the Company's Current Report on Form 8-K filed on July 28, 2006 (SEC File No. 000-26844). |
| 2.5 | Agreement and Plan of Merger, dated May 2, 2011, by and among the Company, RadiSys Holdings, Inc., Continuous Computing Corporation and Shareholder Representative Services LLC. Incorporated by reference from Exhibit 2.1 to the Company's Current Report on Form 8-K filed on May 3, 2011 (SEC File No. 000-26844). |
| 2.6 | Amendment No. 1 to Agreement and Plan of Merger, dated June 22, 2011, by and among the Company, RadiSys Holdings, Inc., Continuous Computing Corporation and Shareholder Representative Services LLC. Incorporated by reference from Exhibit 2.2 to the Company's Current Report on Form 8-K filed on July 11, 2011 (SEC File No. 000-26844). |
| 3.1 | Second Restated Articles of Incorporation and amendments thereto. Incorporated by reference from Exhibit 4.1 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060), as amended by the Articles of Amendment incorporated by reference from Exhibit 3.2 in the Company's Current Report on Form 8-K filed on January 30, 2008 (SEC File No. 000-26844). |
| 3.2 | Second Amended and Restated Bylaws and amendments thereto. Incorporated by reference from Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014, filed on November 7, 2014 (SEC File No. 000-26844). |

- 4.1 Second Restated Articles of Incorporation and amendments thereto. See Exhibit 3.1.
- 4.2 Second Amended and Restated Bylaws and amendments thereto. See Exhibit 3.2.
- 4.3 Specimen Common Stock Certificate. Incorporated by reference from Exhibit 4.3 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060).
- 4.4 Indenture, dated February 12, 2008, by and between the Company and The Bank of New York Trust Company, N.A. Incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K filed on February 12, 2008 (SEC File No. 000-26844).
- 4.5 First Supplemental Indenture, dated February 12, 2008, by and between the Company and The Bank of New York Trust Company, N.A. Incorporated by reference from Exhibit 4.2 to the Company's Current Report on Form 8-K filed on February 12, 2008 (SEC File No. 000-26844).
- 4.6 Form of Global Security for the 2.75% Convertible Senior Notes due 2013 (included in Exhibit 4.5).

- 4.7 Second Supplemental Indenture, dated June 29, 2012, by and between the Company and The Bank of New York Mellon Trust Company, N.A. Incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K filed on July 2, 2012 (SEC File No. 000-26844).
- 4.8 Form of Global Security for the 4.50% Convertible Senior Notes due 2015 (included in Exhibit 4.7).
- 4.9 Form of Debt Securities Indenture. Incorporated by reference from Exhibit 4.5 to the Company's Registration Statement on Form S-3, filed on October 26, 2010 (SEC File No. 333-170148).
- 10.1 Amended and Restated Asset Purchase Agreement, dated September 12, 2007, by and between the Company and Intel Corporation. See Exhibit 2.1.
- 10.2 Transition Services Agreement, dated September 12, 2007, by and between the Company and Intel Corporation. See Exhibit 2.2
- 10.3 Warranty Services Agreement, dated September 12, 2007, by and between the Company and Intel Corporation. See Exhibit 2.3
- 10.4* RadiSys Corporation 1995 Stock Incentive Plan, as amended. Incorporated by reference from Exhibit (d)(1) to the Tender Offer Statement filed by the Company on Schedule TO-I, filed July 31, 2003 (SEC File No. 005-49160).
- 10.5* Form of Notice of Stock Option Grant for the 1995 Stock Incentive Plan. Incorporated by reference from Exhibit (d)(3) to the Tender Offer Statement filed by the Company on Schedule TO-I, filed July 31, 2003 (SEC File No. 005-49160).
- 10.6* Form of Restricted Stock Grant Agreement for the 1995 Stock Incentive Plan. Incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006, filed on May 9, 2006 (SEC File No. 000-26844).
- 10.7* RadiSys Corporation 1996 Employee Stock Purchase Plan, as amended through June 26, 2012. Incorporated by reference from Appendix D to the Company's Proxy Statement on Schedule 14A, filed on May 17, 2012 (SEC File No. 000-26844).
- 10.8* RadiSys Corporation 2001 Nonqualified Stock Option Plan, as amended. Incorporated by reference from Exhibit (d)(2) to the Tender Offer Statement filed by the Company on Schedule TO-I, filed July 31, 2003 (SEC File No. 005-49160).
- 10.9* Form of Notice of Stock Option Grant for the 2001 Nonqualified Stock Option Plan. Incorporated by reference from Exhibit (d)(4) to the Tender Offer Statement filed by the Company on Schedule TO-I, filed July 31, 2003 (SEC File No. 005-49160).
- 10.10* Amended and Restated Radisys Corporation Deferred Compensation Plan, dated January 1, 2008. Incorporated by reference from Exhibit 10.10 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014 (SEC File No. 000-26844).
- 10.11* Amendment No. 1 to Amended and Restated Radisys Corporation Deferred Compensation Plan, effective January 1 2009. Incorporated by reference from Exhibit 10.11 to the Company's Annual

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Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014 (SEC File No. 000-26844).

10.12* Amendment No. 2 to Amended and Restated Radisys Corporation Deferred Compensation Plan, effective January 1 2009. Incorporated by reference from Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014 (SEC File No. 000-26844).

10.13* Amendment No. 3 to Amended and Restated Radisys Corporation Deferred Compensation Plan, effective January 1 2009. Incorporated by reference from Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014 (SEC File No. 000-26844).

10.14* RadiSys Corporation Stock Plan for Convedia Employees. Incorporated by reference from Exhibit 4.4 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060).

10.15* Form of Notice of Option Grant for United States employees for the RadiSys Corporation Stock Plan for Convedia Employees. Incorporated by reference from Exhibit 4.5 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060).

10.16* Form of Notice of Option Grant for Canada employees for the RadiSys Corporation Stock Plan for Convedia Employees. Incorporated by reference from Exhibit 4.6 to the Company's Registration Statement on Form S-8 filed on September 1, 2006 (SEC File No. 333-137060).

- 10.17* Form of Notice of Option Grant for international employees for the RadiSys Corporation Stock Plan for Convedia Employees. Incorporated by reference from Exhibit 4.7 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060).
- 10.18* Form of Notice of Option Grant for China employees for the RadiSys Corporation Stock Plan for Convedia Employees. Incorporated by reference from Exhibit 4.8 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060).
- 10.19* Form of Restricted Stock Grant Agreement for the RadiSys Corporation Stock Plan for Convedia Employees. Incorporated by reference from Exhibit 4.9 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060).
- 10.20* Form of Restricted Stock Unit Grant Agreement for the RadiSys Corporation Stock Plan for Convedia Employees. Incorporated by reference from Exhibit 4.10 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060).
- 10.21* RadiSys Corporation 2007 Stock Plan, as amended through June 26, 2012. Incorporated by reference from Appendix C to the Company's Proxy Statement on Schedule 14A, filed on May 17, 2012 (SEC File No. 000-26844).
- 10.22* Form of Overlay Plan Award Agreement for Performance-Based Restricted Stock Units under the RadiSys Corporation 2007 Stock Plan. Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 10, 2012 (SEC File No. 000-26844).
- 10.23* Form of Notice of Option Grant for United States employees for the RadiSys Corporation 2007 Stock Plan. Incorporated by reference from Exhibit 4.5 to the Company's Registration Statement on Form S-8, filed on May 15, 2007 (SEC File No. 333-142968).
- 10.24* Form of Notice of Option Grant for Canada employees for the RadiSys Corporation 2007 Stock Plan. Incorporated by reference from Exhibit 4.6 to the Company's Registration Statement on Form S-8, filed on May 15, 2007 (SEC File No. 333-142968).
- 10.25* Form of Notice of Option Grant for China employees for the RadiSys Corporation 2007 Stock Plan. Incorporated by reference from Exhibit 4.7 to the Company's Registration Statement on Form S-8, filed on May 15, 2007 (SEC File No. 333-142968).
- 10.26* Form of Notice of Option Grant for international employees for the RadiSys Corporation 2007 Stock Plan. Incorporated by reference from Exhibit 4.8 to the Company's Registration Statement on Form S-8, filed on May 15, 2007 (SEC File No. 333-142968).
- 10.27* Form of Restricted Stock Unit Grant Agreement for the RadiSys Corporation 2007 Stock Plan. Incorporated by reference from Exhibit 4.9 to the Company's Registration Statement on Form S-8, filed on May 15, 2007 (SEC File No. 333-142968).
- 10.28* Form of Restricted Stock Unit Grant Agreement for non-employee Board of Directors for the RadiSys Corporation 2007 Stock Plan. Incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014, filed on May 2, 2014 (SEC File No. 000-26844).

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- 10.29* Form of Notice of Stock Option Grant for non-employee directors for the Radisys Corporation 2007 Stock Plan. Incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014, filed on May 2, 2014 (SEC File No. 000-26844).
- 10.30* RadiSys Corporation Long-Term Incentive Plan (as amended and restated). Incorporated by reference from Appendix C to the Company's Proxy Statement on Schedule 14A, filed on July 6, 2010 (SEC File No. 000-26844).
- 10.31* First Amendment to RadiSys Corporation Long-Term Incentive Plan (as amended and restated). Incorporated by reference from Exhibit 10.3 to the Company's Current Report on Form 8-K filed on September 10, 2012 (SEC File No. 000-26844).
- 10.32* Form of LTIP Tranche #2 Award Agreement for Performance-Based Restricted Stock Units under the RadiSys Corporation Long-Term Incentive Plan (as amended and restated). Incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014, filed on May 2, 2014 (SEC File No. 000-26844).
- 10.33* RadiSys Corporation Inducement Stock Plan for CCPU Employees. Incorporated by reference from Exhibit 4.4 to the Company's Registration Statement on Form S-8, filed on May 3, 2011 (SEC File No. 333-173885).

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Amended and Restated Executive Change of Control Agreement, dated February 1, 2013, between the Company and Allen Muhich. Incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K filed on February 6, 2013 (SEC File No. 000-26844).

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- 10.54* Transition Agreement, dated January 10, 2014, between the Company and Amit Agarwal. Incorporated by reference from Exhibit 10.52 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014 (SEC File No. 000-26844).
- 10.55* Executive Change of Control Agreement, dated October 23, 2013, between the Company and Stephen T. Collins. Incorporated by reference from Exhibit 10.53 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014 (SEC File No. 000-26844).
- 10.56* Executive Severance Agreement, dated October 23, 2013, between the Company and Stephen T. Collins. Incorporated by reference from Exhibit 10.54 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014 (SEC File No. 000-26844).
- 10.57* Employment Agreement, dated March 9, 2010, by and between Radisys Corporation and Grant Henderson. Incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014, filed November 7, 2014 (SEC File No. 000-26844).
- 10.58 Form of Indemnification Agreement (for directors and the CEO/CFO). Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 14, 2011 (SEC File No. 000-26844).
- 10.59 Form of Indemnification Agreement (for certain executive officers). Incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 14, 2011 (SEC File No. 000-26844).
- 10.60 Dawson Creek II Lease, dated March 21, 1997, incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1997, filed on August 13, 1997 (SEC File No. 000-26844).
- 10.61 Form of Subscription Agreement, dated June 20, 2012, by and between the Company and each participating holder. Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 26, 2012 (SEC File No. 000-26844).
- 10.62 Form of Registration Rights Agreement, dated June 29, 2012, by and between the Company and each participating holder. Incorporated by reference from Exhibit 10.1 to the Company's Current Report on

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Form 8-K filed on July 2, 2012 (SEC File No. 000-26844).

10.63 Second Amended and Restated Loan and Security Agreement, dated July 29, 2013, between Radisys Corporation and Silicon Valley Bank. Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 30, 2013 (SEC File No. 000-26844).

10.64 Amendment No. 1 to Second Amended and Restated Loan and Security Agreement, dated November 4, 2013, between Radisys Corporation and Silicon Valley Bank. Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 4, 2013 (SEC File No. 000-26844).

10.65 Amendment No. 2 to Second Amended and Restated Loan and Security Agreement, dated February 10, 2014, between Radisys Corporation and Silicon Valley Bank. Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 11, 2014 (SEC File No. 000-26844).

10.66 Third Amended and Restated Loan and Security Agreement, dated March 14, 2014, between Radisys Corporation and Silicon Valley Bank. Incorporated by reference from Exhibit 10.63 to the Company's Current Report on Form 10-K for the year ended December 31, 2013 filed on March 14, 2014 (SEC File No. 000-26844).

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|------------|---|
| 10.67 | Amendment No. 1 to the Third Amended and Restated Loan and Security Agreement, dated May 30, 2014, between Radisys Corporation and Silicon Valley Bank. Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 3, 2014 (SEC File No. 000-26844). |
| 10.68 | Letter Agreement, dated July 9, 2014, between Radisys Corporation and Silicon Valley Bank. Incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014, filed on August 6, 2014 (SEC File No. 000-26844). |
| 12 | Computation of Ratio of Earnings to Fixed Charges. |
| 21.1 | List of Subsidiaries. |
| 23.1 | Consent of KPMG LLP. |
| 31.1** | Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2** | Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of the Chief Financial Officer pursuant to 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 Taxonomy Extension Schema |
| 101.CAL*** | XBRL Taxonomy Extension Calculation Linkbase |
| 101.LAB*** | XBRL Taxonomy Extension Label Linkbase |
| 101.PRE*** | XBRL Taxonomy Presentation Linkbase |
| 101.DEF*** | XBRL Taxonomy Definition Linkbase |

* This Exhibit constitutes a management contract or compensatory plan or arrangement.

** Filed herewith.

In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Annual Report on Form 10-K shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be part of any registration or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: April 28, 2015

RADISYS CORPORATION

By: /s/ Brian Bronson

Brian Bronson

Chief Executive Officer, President, and Director

EXHIBIT INDEX

| Exhibit No | Description |
|------------|---|
| 2.1 | Amended and Restated Asset Purchase Agreement, dated September 12, 2007, by and between the Company and Intel Corporation. Incorporated by reference from Exhibit 2.1 to the Company's Current Report on Form 8-K/A, filed on November 1, 2007 (SEC File No. 000-26844). |
| 2.2 | Transition Services Agreement, dated September 12, 2007, by and between the Company and Intel Corporation (portions of the exhibit have been omitted pursuant to a request for confidential treatment to the Commission). Incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2007, filed on November 8, 2007 (SEC File No. 000-26844). |
| 2.3 | Warranty Services Agreement, dated September 12, 2007, by and between the Company and Intel Corporation (portions of the exhibit have been omitted pursuant to a request for confidential treatment to the Commission). Incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2007, filed on November 8, 2007 (SEC File No. 000-26844). |
| 2.4 | Arrangement Agreement among the Company, Convedia Corporation and RadiSys Canada Inc., effective as of July 26, 2006. Incorporated by reference from Exhibit 2.1 to the Company's Current Report on Form 8-K filed on July 28, 2006 (SEC File No. 000-26844). |
| 2.5 | Agreement and Plan of Merger, dated May 2, 2011, by and among the Company, RadiSys Holdings, Inc., Continuous Computing Corporation and Shareholder Representative Services LLC. Incorporated by reference from Exhibit 2.1 to the Company's Current Report on Form 8-K filed on May 3, 2011 (SEC File No. 000-26844). |
| 2.6 | Amendment No. 1 to Agreement and Plan of Merger, dated June 22, 2011, by and among the Company, RadiSys Holdings, Inc., Continuous Computing Corporation and Shareholder Representative Services LLC. Incorporated by reference from Exhibit 2.2 to the Company's Current Report on Form 8-K filed on July 11, 2011 (SEC File No. 000-26844). |
| 3.1 | Second Restated Articles of Incorporation and amendments thereto. Incorporated by reference from Exhibit 4.1 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060), as amended by the Articles of Amendment incorporated by reference from Exhibit 3.2 in the Company's Current Report on Form 8-K filed on January 30, 2008 (SEC File No. 000-26844). |
| 3.2 | Second Amended and Restated Bylaws and amendments thereto. Incorporated by reference from Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014, filed on November 7, 2014 (SEC File No. 000-26844). |
| 4.1 | Second Restated Articles of Incorporation and amendments thereto. See Exhibit 3.1. |
| 4.2 | Second Amended and Restated Bylaws and amendments thereto. See Exhibit 3.2. |
| 4.3 | Specimen Common Stock Certificate. Incorporated by reference from Exhibit 4.3 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060). |

- 4.4 Indenture, dated February 12, 2008, by and between the Company and The Bank of New York Trust Company, N.A. Incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K filed on February 12, 2008 (SEC File No. 000-26844).
- 4.5 First Supplemental Indenture, dated February 12, 2008, by and between the Company and The Bank of New York Trust Company, N.A. Incorporated by reference from Exhibit 4.2 to the Company's Current Report on Form 8-K filed on February 12, 2008 (SEC File No. 000-26844).
- 4.6 Form of Global Security for the 2.75% Convertible Senior Notes due 2013 (included in Exhibit 4.5).
- 4.7 Second Supplemental Indenture, dated June 29, 2012, by and between the Company and The Bank of New York Mellon Trust Company, N.A. Incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K filed on July 2, 2012 (SEC File No. 000-26844).
- 4.8 Form of Global Security for the 4.50% Convertible Senior Notes due 2015 (included in Exhibit 4.7).
- 4.9 Form of Debt Securities Indenture. Incorporated by reference from Exhibit 4.5 to the Company's Registration Statement on Form S-3, filed on October 26, 2010 (SEC File No. 333-170148).
- 10.1 Amended and Restated Asset Purchase Agreement, dated September 12, 2007, by and between the Company and Intel Corporation. See Exhibit 2.1.

- 10.2 Transition Services Agreement, dated September 12, 2007, by and between the Company and Intel Corporation. See Exhibit 2.2
- 10.3 Warranty Services Agreement, dated September 12, 2007, by and between the Company and Intel Corporation. See Exhibit 2.3
- 10.4* RadiSys Corporation 1995 Stock Incentive Plan, as amended. Incorporated by reference from Exhibit (d)(1) to the Tender Offer Statement filed by the Company on Schedule TO-I, filed July 31, 2003 (SEC File No. 005-49160).
- 10.5* Form of Notice of Stock Option Grant for the 1995 Stock Incentive Plan. Incorporated by reference from Exhibit (d)(3) to the Tender Offer Statement filed by the Company on Schedule TO-I, filed July 31, 2003 (SEC File No. 005-49160).
- 10.6* Form of Restricted Stock Grant Agreement for the 1995 Stock Incentive Plan. Incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006, filed on May 9, 2006 (SEC File No. 000-26844).
- 10.7* RadiSys Corporation 1996 Employee Stock Purchase Plan, as amended through June 26, 2012. Incorporated by reference from Appendix D to the Company's Proxy Statement on Schedule 14A, filed on May 17, 2012 (SEC File No. 000-26844).
- 10.8* RadiSys Corporation 2001 Nonqualified Stock Option Plan, as amended. Incorporated by reference from Exhibit (d)(2) to the Tender Offer Statement filed by the Company on Schedule TO-I, filed July 31, 2003 (SEC File No. 005-49160).
- 10.9* Form of Notice of Stock Option Grant for the 2001 Nonqualified Stock Option Plan. Incorporated by reference from Exhibit (d)(4) to the Tender Offer Statement filed by the Company on Schedule TO-I, filed July 31, 2003 (SEC File No. 005-49160).
- 10.10* Amended and Restated Radisys Corporation Deferred Compensation Plan, dated January 1, 2008. Incorporated by reference from Exhibit 10.10 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014 (SEC File No. 000-26844).
- 10.11* Amendment No. 1 to Amended and Restated Radisys Corporation Deferred Compensation Plan, effective January 1 2009. Incorporated by reference from Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014 (SEC File No. 000-26844).
- 10.12* Amendment No. 2 to Amended and Restated Radisys Corporation Deferred Compensation Plan, effective January 1 2009. Incorporated by reference from Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014 (SEC File No. 000-26844).
- 10.13* Amendment No. 3 to Amended and Restated Radisys Corporation Deferred Compensation Plan, effective January 1 2009. Incorporated by reference from Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014 (SEC File No.

000-26844).

- 10.14* RadiSys Corporation Stock Plan for Convedia Employees. Incorporated by reference from Exhibit 4.4 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060).
- 10.15* Form of Notice of Option Grant for United States employees for the RadiSys Corporation Stock Plan for Convedia Employees. Incorporated by reference from Exhibit 4.5 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060).
- 10.16* Form of Notice of Option Grant for Canada employees for the RadiSys Corporation Stock Plan for Convedia Employees. Incorporated by reference from Exhibit 4.6 to the Company's Registration Statement on Form S-8 filed on September 1, 2006 (SEC File No. 333-137060).
- 10.17* Form of Notice of Option Grant for international employees for the RadiSys Corporation Stock Plan for Convedia Employees. Incorporated by reference from Exhibit 4.7 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060).
- 10.18* Form of Notice of Option Grant for China employees for the RadiSys Corporation Stock Plan for Convedia Employees. Incorporated by reference from Exhibit 4.8 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060).
- 10.19* Form of Restricted Stock Grant Agreement for the RadiSys Corporation Stock Plan for Convedia Employees. Incorporated by reference from Exhibit 4.9 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060).

- 10.20* Form of Restricted Stock Unit Grant Agreement for the RadiSys Corporation Stock Plan for Convedia Employees. Incorporated by reference from Exhibit 4.10 to the Company's Registration Statement on Form S-8, filed on September 1, 2006 (SEC File No. 333-137060).
- 10.21* RadiSys Corporation 2007 Stock Plan, as amended through June 26, 2012. Incorporated by reference from Appendix C to the Company's Proxy Statement on Schedule 14A, filed on May 17, 2012 (SEC File No. 000-26844).
- 10.22* Form of Overlay Plan Award Agreement for Performance-Based Restricted Stock Units under the RadiSys Corporation 2007 Stock Plan. Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 10, 2012 (SEC File No. 000-26844).
- 10.23* Form of Notice of Option Grant for United States employees for the RadiSys Corporation 2007 Stock Plan. Incorporated by reference from Exhibit 4.5 to the Company's Registration Statement on Form S-8, filed on May 15, 2007 (SEC File No. 333-142968).
- 10.24* Form of Notice of Option Grant for Canada employees for the RadiSys Corporation 2007 Stock Plan. Incorporated by reference from Exhibit 4.6 to the Company's Registration Statement on Form S-8, filed on May 15, 2007 (SEC File No. 333-142968).
- 10.25* Form of Notice of Option Grant for China employees for the RadiSys Corporation 2007 Stock Plan. Incorporated by reference from Exhibit 4.7 to the Company's Registration Statement on Form S-8, filed on May 15, 2007 (SEC File No. 333-142968).
- 10.26* Form of Notice of Option Grant for international employees for the RadiSys Corporation 2007 Stock Plan. Incorporated by reference from Exhibit 4.8 to the Company's Registration Statement on Form S-8, filed on May 15, 2007 (SEC File No. 333-142968).
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10.52* Amended and Restated Executive Severance Agreement, dated August 3, 2012, between the Company and Amit Agarwal. Incorporated by reference from Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012, filed on November 2, 2012 (SEC File No. 000-26844).

- 10.53* Form of Indemnity Agreement for directors and officers of the Company. Incorporated by reference from Exhibit 10.23 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, filed on March 2, 2007.
- 10.54* Transition Agreement, dated January 10, 2014, between the Company and Amit Agarwal. Incorporated by reference from Exhibit 10.52 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014 (SEC File No. 000-26844).
- 10.55* Executive Change of Control Agreement, dated October 23, 2013, between the Company and Stephen T. Collins. Incorporated by reference from Exhibit 10.53 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014 (SEC File No. 000-26844).
- 10.56* Executive Severance Agreement, dated October 23, 2013, between the Company and Stephen T. Collins. Incorporated by reference from Exhibit 10.54 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014 (SEC File No. 000-26844).
- 10.57* Employment Agreement, dated March 9, 2010, by and between Radisys Corporation and Grant Henderson. Incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014, filed November 7, 2014 (SEC File No. 000-26844).
- 10.58 Form of Indemnification Agreement (for directors and the CEO/CFO). Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 14, 2011 (SEC File No. 000-26844).
- 10.59 Form of Indemnification Agreement (for certain executive officers). Incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 14, 2011 (SEC File No. 000-26844).
- 10.60 Dawson Creek II Lease, dated March 21, 1997, incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1997, filed on August 13, 1997 (SEC File No. 000-26844).
- 10.61 Form of Subscription Agreement, dated June 20, 2012, by and between the Company and each participating holder. Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 26, 2012 (SEC File No. 000-26844).
- 10.62 Form of Registration Rights Agreement, dated June 29, 2012, by and between the Company and each participating holder. Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 2, 2012 (SEC File No. 000-26844).
- 10.63 Second Amended and Restated Loan and Security Agreement, dated July 29, 2013, between Radisys Corporation and Silicon Valley Bank. Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 30, 2013 (SEC File No. 000-26844).
- 10.64 Amendment No. 1 to Second Amended and Restated Loan and Security Agreement, dated November 4, 2013, between Radisys Corporation and Silicon Valley Bank. Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 4, 2013 (SEC File No. 000-26844).

- 10.65 Amendment No. 2 to Second Amended and Restated Loan and Security Agreement, dated February 10, 2014, between Radisys Corporation and Silicon Valley Bank. Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 11, 2014 (SEC File No. 000-26844).
- 10.66 Third Amended and Restated Loan and Security Agreement, dated March 14, 2014, between Radisys Corporation and Silicon Valley Bank. Incorporated by reference from Exhibit 10.63 to the Company's Current Report on Form 10-K for the year ended December 31, 2013 filed on March 14, 2014 (SEC File No. 000-26844).
- 10.67 Amendment No. 1 to the Third Amended and Restated Loan and Security Agreement, dated May 30, 2014, between Radisys Corporation and Silicon Valley Bank. Incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 3, 2014 (SEC File No. 000-26844).
- 10.68 Letter Agreement, dated July 9, 2014, between Radisys Corporation and Silicon Valley Bank. Incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014, filed on August 6, 2014 (SEC File No. 000-26844).
- 12 Computation of Ratio of Earnings to Fixed Charges.
- 21.1 List of Subsidiaries.
- 23.1 Consent of KPMG LLP.

- 31.1** Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2** Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of the Chief Financial Officer pursuant to 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 Taxonomy Extension Schema
- 101.CAL*** XBRL Taxonomy Extension Calculation Linkbase
- 101.LAB*** XBRL Taxonomy Extension Label Linkbase
- 101.PRE*** XBRL Taxonomy Presentation Linkbase
- 101.DEF*** XBRL Taxonomy Definition Linkbase

* This Exhibit constitutes a management contract or compensatory plan or arrangement.

** Filed herewith.

*** In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Annual Report on Form 10-K shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be part of any registration or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.