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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): June 19, 2022

CERENCE INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-39030
(Commission
File Number)

83-4177087
(IRS Employer
Identification No.)

**1 Burlington Woods Drive, Suite 301A
Burlington, MA**
(Address of Principal Executive Offices)

01803
(Zip Code)

Registrant's Telephone Number, Including Area Code: (857) 362-7300

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

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value	CRNC	The NASDAQ Stock Market LLC

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

Emerging growth company ☐

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

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

On June 19, 2022, Cerence Inc. (the “Company”) entered into a change of control equity acceleration agreement with Stefan Ortmanns, the Company’s Chief Executive Officer (the “US CoC Agreement”) that provides for an initial three-year term and for automatic renewal of additional one-year terms unless either party provides timely notice of non-renewal. In the event of a “change of control” (as defined in the US CoC Agreement), the term of the US CoC Agreement will automatically extend until the one-year anniversary of the date of the change of control. The US CoC Agreement provides that in the event that Dr. Ortmanns’s employment is terminated by the Company or a subsidiary other than for “cause” (as defined in the US CoC Agreement) and for a reason other than due to his death or “disability” (as defined in the US CoC Agreement) outside of the one-year period following a change of control, Dr. Ortmanns will be eligible to receive: (i) vesting of the portion of his time-based equity awards that would have vested in the eighteen months following the termination date; and (ii) vesting of the earned portion of any performance-based equity awards for which the performance period is complete as of the termination date and the opportunity under certain circumstances to earn a pro rata portion of any performance-based awards with a single three-year performance period for which the performance period is not complete as of the termination date based on actual performance at the end of the performance period. If Dr. Ortmanns’s employment is terminated by the Company or a subsidiary other than for cause and for a reason other than due to his death or disability or he resigns for “good reason” (as defined in the US CoC Agreement) within one year following a change of control, he will instead be eligible to receive: (i) accelerated vesting of 100% of his unvested time-based equity awards; and (ii) accelerated vesting of any performance-based equity awards based on actual performance through the termination date, if measurable, and based upon target performance if performance is not measurable as of the termination date. In the event that Dr. Ortmanns’s employment is terminated due to death or disability, he will be eligible to receive: (i) accelerated vesting of 100% of his unvested time-based equity awards; (ii) 100% of the earned portion of any performance-based equity awards for which the performance period is complete; and (iii) the opportunity under certain circumstances to earn a pro rata portion of any performance-based awards with a single three-year performance period for which the performance period is not complete as of the termination date based on actual performance at the end of the performance period. To receive the foregoing vesting acceleration, except in the case of a termination due to death, Dr. Ortmanns is required to enter into a separation and release agreement in favor of the Company. The US CoC Agreement replaces and supersedes that certain Change of Control Equity Acceleration Agreement by and between the Company and Dr. Ortmanns, dated as of December 23, 2019.

The foregoing description of the US CoC Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the US CoC Agreement, which is attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

In addition, on June 21, 2022, Cerence GmbH, a wholly-owned subsidiary of the Company (the “Subsidiary”), entered into a change of control and severance agreement with Dr. Ortmanns (the “GmbH CoC Agreement”) that provides for an initial three-year term and for automatic renewal of additional one-year terms unless either party provides timely notice of non-renewal. In the event of a “change of control” (as defined in the GmbH CoC Agreement), the term of the GmbH CoC Agreement will automatically extend until the one-year anniversary of the date of the change of control. The GmbH CoC Agreement provides that in the event that Dr. Ortmanns’s employment is terminated by the Subsidiary other than for “cause” (as defined in the GmbH CoC Agreement) and for a reason other than due to his death or “disability” (as defined in the GmbH CoC Agreement) outside of the one-year period following a change of control, Dr. Ortmanns will be eligible to receive: (i) a lump sum payment equal to 150% of his annual base salary then in effect; and (ii) a lump sum payment equal to 150% of his target bonus and a pro-rated percentage of his target bonus for the fiscal year in which the termination occurs. If Dr. Ortmanns’s employment is terminated by the Subsidiary other than for cause and for a reason other than due to his death or disability or he resigns for “good reason” (as defined in the GmbH CoC Agreement) within one year following a change of control, he will instead be eligible to receive: (i) a lump sum payment equal to 200% of his annual base salary then in effect (or, if greater, as in effect immediately prior to the change of control); and (ii) a lump sum payment equal to 200% of his target bonus for the year in which the termination occurs (or, if greater, as in effect immediately prior to the change of control) and a pro-rated percentage of his target bonus for the fiscal year in which the termination occurs (or, if greater, as in effect immediately prior to the change of control). To receive the foregoing severance payments and benefits, Dr. Ortmanns is required to enter into a separation and release agreement in favor of the Subsidiary. The GmbH CoC Agreement replaces and supersedes that certain Change of Control and Severance Agreement by and between the Subsidiary and Dr. Ortmanns, dated as of December 23, 2019.

The foregoing description of the GmbH CoC Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the GmbH CoC Agreement, which is attached as Exhibit 10.2 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Change of Control Equity Acceleration Agreement, effective as of June 19, 2022, by and between Cerence Inc. and Stefan Ortmanns</u>
10.2	<u>Change of Control and Severance Agreement, effective as of June 21, 2022, by and between Cerence GmbH and Stefan Ortmanns</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

Cerence Inc.

Date: June 24, 2022

By: /s/ Thomas Beaudoin

Name: Thomas Beaudoin

Title: Chief Financial Officer

CERENCE INC.
CHANGE OF CONTROL EQUITY ACCELERATION AGREEMENT—CEO

This Change of Control Equity Acceleration Agreement (the “*Agreement*”) is made and entered into by and between Stefan Ortmanns (“*Executive*”) and Cerence Inc., a Delaware corporation (the “*Company*”), effective as of the latest date on the signature page of this Agreement (the “*Effective Date*”).

RECITALS

1. The Compensation Committee (the “*Committee*”) of the Board of Directors of the Company (the “*Board*”) has determined that it is in the best interests of the Company and its shareholders to assure that the Company or one of its subsidiaries will have the continued dedication and objectivity of Executive, notwithstanding the possibility, threat, or occurrence of a Change of Control.

2. The Committee believes that it is imperative to provide Executive with accelerated equity vesting upon Executive’s termination of employment under certain circumstances to provide Executive with enhanced financial security, incentive and encouragement to remain with the Company (or one of its subsidiaries).

3. Certain capitalized terms used in the Agreement and not otherwise defined are defined in Section 6 below.

AGREEMENT

NOW, THEREFORE, in consideration of Executive’s continued employment and the mutual covenants contained herein, the parties hereto agree as follows:

1. Term of Agreement. Subject to earlier termination upon the termination of Executive’s employment, this Agreement will have an initial term commencing on the Effective Date and ending on the third anniversary of the Effective Date (the “*Initial Term*”). The Initial Term will automatically renew for additional, successive one (1) year periods (each, a “*Renewal Term*”), unless either party provides written notice of such party’s intent not to continue this Agreement no less than ninety (90) days prior to the expiration of the Initial Term or the Renewal Term, as applicable; provided, however, in the event that a Change of Control occurs during the final year of the Initial Term or during any Renewal Term, the Initial Term or the Renewal Term, as applicable, shall automatically be extended until the one (1) year anniversary of the Change of Control (a “*Change of Control Extension*”) (the Initial Term together with any Renewal Terms (each as extended by any Change of Control Extension), if applicable, shall be referred to herein as the “*Term*”). If Executive becomes entitled to benefits under Section 2 during the Term, the Agreement will not terminate until all of the obligations of the parties hereto with respect to this Agreement have been satisfied. For avoidance of doubt, Executive will not be entitled to benefits under Section 2 due solely to notice of non-renewal or termination of the Agreement due to non-renewal. The Company and the Executive agree that if the Company adopts an executive severance and change of control plan (a “*Severance Plan*”) with economic terms that are at least as favorable as the terms in this Agreement, this Executive will waive his rights under this Agreement in exchange for participating in the Severance Plan and the Term of this Agreement will end.

2. Equity Acceleration Benefits.

(a) Termination Other than During Change of Control Period. If Executive's employment with the Company and its subsidiaries is terminated by the Company or a subsidiary other than for Cause and for a reason other than due to Executive's death or absence from work due to a disability for a period in excess of one hundred and eighty (180) days in any twelve (12)-month period that qualifies for benefits under a long-term disability program of the Company or its applicable subsidiary ("**Disability**"), and such termination occurs outside the Change of Control Period, then, subject to Section 3 and the other provisions of this Agreement, Executive will receive:

(i) Time-Based Equity Awards. Vesting of the portion of each (if any) of Executive's outstanding and unvested equity awards covering shares of the Company's common stock that are subject solely to time-based vesting (excluding any awards subject to performance-based vesting) (such awards "**Time-Based Awards**") that are scheduled to vest during the eighteen (18)-month period following Executive's termination date.

(ii) Performance-Based Equity Awards. Vesting of the earned portion of any of Executive's outstanding and unvested equity awards subject to performance-based vesting (excluding any Time-Based Awards) (such awards, "**Performance-Based Awards**") for which the performance period is complete as of the termination date. In addition, for any Performance-Based awards held by Executive with a single three-year performance period for which the performance period is not complete as of the termination date ("**Three-Year Performance-Based Awards**") and provided that Executive has been employed by the Company or one of its subsidiaries for at least six months of the performance period, except as otherwise provided in the applicable award agreement, a pro-rated portion of any such Three-Year Performance-Based Award (with pro-ration determined by multiplying the number of shares or units subject to the applicable Three-Year Performance-Based Award by a fraction, the numerator of which is the number of days elapsed between the first day of the performance period of the Three-Year Performance-Based Award and Executive's termination date and the denominator of which is the total number of days in the performance period for the applicable Three-Year Performance-Based Award) (such portion, the "**Pro-Rated Portion**") shall remain eligible to be earned at the end of the performance period applicable to the Three-Year Performance-Based Award based upon actual achievement of the applicable performance metrics in accordance with the terms of the applicable award agreements and equity incentive plans and any Pro-Rated Portion that is earned at the end of the performance period shall be immediately fully vested.

(b) Termination During a Change of Control Period. If during the Change of Control Period (i) Executive's employment with the Company and its subsidiaries is terminated by the Company or a subsidiary other than for Cause and for a reason other than due to Executive's death or Disability or (ii) Executive resigns for Good Reason, then, subject to Section 3 and the other provisions of this Agreement:

(i) Vesting of Time-Based Equity Awards. One hundred percent (100%) of Executive's outstanding and unvested Time-Based Awards will become vested in full.

(ii) Vesting of Performance-Based Equity Awards. Executive's outstanding and unvested Performance-Based Awards shall become vested based on actual performance through Executive's termination date, if measurable, and based upon target performance if performance is not measurable as of Executive's termination date.

(c) Equity Documents. Except as provided in this Section 2, all Time-Based Awards and Performance-Based Awards remain subject to the terms of the Company's 2019 Equity Incentive Plan or any successor thereto and the applicable award agreement.

(d) Voluntary Resignation; Termination for Cause. If Executive's employment with the Company and its subsidiaries terminates in a voluntary resignation (other than for Good Reason during the Change of Control Period), or if Executive's employment is terminated for Cause, then Executive shall not be entitled to receive any vesting acceleration except as otherwise provided by the applicable equity plan, applicable award agreement or applicable law.

(e) Termination for Death or Disability. Except as otherwise provided in the award agreement for any Time-Based Award, if Executive's employment with the Company and its subsidiaries terminates on account of Executive's death or Disability, (i) one hundred percent (100%) of Executive's outstanding and unvested Time-Based Awards will become vested, (ii) one hundred percent (100%) of the earned portion of any of Executive's Performance-Based Awards for which the performance period is complete will become vested and (iii) Executive shall remain eligible to earn a Pro-Rated Portion of any Three-Year Performance-Based Award at the end of the performance period applicable to the Three-Year Performance-Based Award based upon actual achievement of the applicable performance metrics in accordance with the terms of the applicable award agreements and equity incentive plans and any such Pro-Rated Portion that is earned at the end of the performance period shall be immediately fully vested. In the case of a termination for Disability, vesting under this Section 2(e) will be subject to Executive's compliance with Section 3 and the other provisions of this Agreement.

(f) Exclusive Remedy. In the event of termination of Executive's employment as set forth in Section 2 of this Agreement during the Term, the provisions of Section 2 are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive or the Company and its subsidiaries may otherwise be entitled, whether at law, tort or contract, in equity, or under this Agreement (other than the payment of accrued but unpaid wages, as required by law, or any unreimbursed reimbursable expenses). During the Term of this Agreement, Executive will not be entitled to benefits, compensation or other payments or rights with respect to Executive's outstanding equity awards upon termination of employment, including under any offer letter, employment agreement, severance agreement or other agreement with the Company or its subsidiaries, other than those benefits expressly set forth in Section 2 of this Agreement.

(g) Transfer between Company and any Subsidiary. For purposes of this Section 2, if Executive's employment relationship with the Company or any parent or subsidiary of the Company ceases, Executive will not, solely by virtue thereof, be determined to have been terminated without Cause for purposes of this Agreement if Executive continues to remain employed by the Company or any parent or subsidiary of the Company immediately thereafter (e.g., upon transfer of Executive's employment from the Company to a parent or subsidiary of the Company or vice versa).

3. Conditions to Entitlement to Equity Acceleration Benefits; Settlement

(a) Release of Claims Agreement. Other than in the event of a termination due to Executive's death, the receipt of any benefits under Section 2 pursuant to this Agreement is subject to Executive signing and not revoking a separation agreement that includes without limitation, if requested by the Company, a non-competition covenant that applies for up to twelve (12) months following Executive's termination of employment, a non-solicitation covenant that applies for up to twelve (12) months following Executive's termination of employment, non-disparagement and reasonable post-termination cooperation obligations of Executive and a release of claims, all in the form provided by the Company, which must become effective and irrevocable no later than the sixtieth (60th) day following Executive's termination of employment (the "**Release Deadline**"). Notwithstanding anything to the contrary in the applicable equity plan or award agreement, to the extent permitted under Section 409A, any equity awards that become vested in connection with Executive's termination of employment under this Agreement shall not be settled or become exercisable, as applicable, until the separation agreement becomes effective in accordance with its terms. In no event will any severance payments or benefits be paid or provided until the separation agreement actually becomes effective and irrevocable and, if the separation agreement does not become effective in accordance with its terms on or prior to the Release Deadline, Executive's entitlement to any such benefits under this Agreement shall be forfeited on the Release Deadline for no consideration payable to Executive.

(b) Proprietary Information and Non-Competition Agreement. Executive's entitlement to any benefits under Section 2 will be subject to Executive continuing to comply with the terms of any agreements between Executive and the Company and/or any of its subsidiaries concerning inventions, confidentiality, or restrictive covenants (the "**Confidentiality Agreement**").

4. Section 409A. The provisions in this Section 4 shall apply if Executive is or becomes a U.S. taxpayer.

(a) Notwithstanding anything to the contrary in this Agreement, no Deferred Payments will be paid or otherwise provided until Executive has a "separation from service" within the meaning of Section 409A. Similarly, no amount payable to Executive, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Executive has a "separation from service" within the meaning of Section 409A. In addition, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's separation from service (other than due to death), then the Deferred Payments, if any, that are payable within the first six (6) months following Executive's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following Executive's separation from service, but before the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment under Section 1.409A-2(b)(2) of the Treasury Regulations.

(b) Any amounts paid under this Agreement that satisfy the requirements of the “short-term deferral” rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute Deferred Payments for purposes of this Agreement.

(c) Payments under this Agreement are intended to comply with, or be exempt from, the requirements of Section 409A so that none of the benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to so comply. Specifically, the payments hereunder are intended to be exempt from the requirements of Section 409A under the “short-term” deferral rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition before actual payment to Executive under Section 409A. The Company makes no representation or warranty to Executive and in no event will the Company reimburse Executive or any other person for any taxes or other costs that may be imposed on Executive as a result of Section 409A or any other law.

5. Limitation on Payments. If Executive is or becomes a U.S. taxpayer or, in the event that the benefits provided for in this Agreement or otherwise payable to Executive (i) constitute “parachute payments” within the meaning of Section 280G of the Code, and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the “**Excise Tax**”), then Executive’s benefits under this Agreement shall be either:

(a) delivered in full, or

(b) delivered as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. If a reduction in benefits constituting “parachute payments” is necessary so that benefits are delivered to a lesser extent, reduction will occur in the following order: (1) reduction of cash payments, (2) cancellation of equity awards granted within the twelve (12)-month period prior to a “change of control” (as determined under Code Section 280G) that are deemed to have been granted contingent upon the change of control (as determined under Code Section 280G), and (3) cancellation of accelerated vesting of equity awards. In the event that accelerated vesting of equity awards is to be cancelled, such vesting acceleration will be cancelled in the reverse chronological order of the award grant dates.

Unless the Company and Executive otherwise agree in writing, any determination required under this Section 5 shall be made in writing by the Company’s independent public accountants (the “**Accountants**”), whose determination shall be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section 5, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and 4999 of the Code. The Company and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section 5. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 5.

6. Definition of Terms. The following terms referred to in this Agreement will have the following meanings:

(a) Cause. “**Cause**” means (i) any act of dishonesty or fraud taken by Executive in connection with his or her responsibilities as an employee other than immaterial, inadvertent acts that, if capable of cure, are promptly remedied by Executive following notice by the Company, (ii) Executive’s breach of the fiduciary duty or duty of loyalty owed to the Company and its subsidiaries, or material breach of the duty to protect the Company’s and its subsidiaries’ confidential and proprietary information, (iii) Executive’s commission of, conviction of or plea of guilty or nolo contendere to (A) any felony or (B) a crime misdemeanor involving fraud, embezzlement, misappropriation of funds or any other act of moral turpitude, (iv) Executive’s gross negligence or willful misconduct in the performance of his or her duties, (v) Executive’s material breach of this Agreement or any other agreement with the Company and its subsidiaries or any material written policy of the Company or its subsidiaries; (vi) Executive’s engagement in conduct or activities that result, or are reasonably likely to result, in negative publicity or public disrespect, contempt or ridicule of the Company or its subsidiaries that the Board reasonably believes will have a demonstrably injurious effect on the reputation or business of the Company and its subsidiaries or Executive’s ability to perform his or her duties (but excluding conduct and activities undertaken in good faith by Executive in the ordinary course of performing his or her duties or promoting the Company or its subsidiaries); (vii) Executive’s failure to abide by the lawful and reasonable directives of the Company or its subsidiaries (other than any failure to achieve a lawful and reasonable directive following the expenditure by Executive of commercially reasonable best efforts); or (viii) Executive’s repeated failure to materially perform the primary duties of Executive’s position.

(b) Change of Control. “**Change of Control**” shall have the meaning specified in the Company’s 2019 Equity Incentive Plan or any successor thereto.

(c) Change of Control Period. “**Change of Control Period**” means the period beginning on a Change of Control and ending on the one-year anniversary of the Change of Control.

(d) Code. “**Code**” means the United States Internal Revenue Code of 1986, as amended.

(e) Deferred Payments. “**Deferred Payments**” means any benefits to be paid or provided to Executive, if any, pursuant to this Agreement that, in each case, are or when considered together with any other severance payments or separation benefits are, deemed to be “non-qualified deferred compensation” within the meaning of Section 409A.

(f) Exchange Act. “**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended.

(g) Good Reason. “**Good Reason**” means Executive’s termination of employment within thirty (30) days following the expiration of any Cure Period (discussed below) following the occurrence of one or more of the following, without Executive’s express written consent: (i) a material reduction in Executive’s duties, authority or responsibilities (other than during a period of Executive’s incapacity due to physical or mental illness); (ii) a material reduction by the Company or one of its subsidiaries in the annual base compensation or target bonus opportunity (as a percentage of base salary) of Executive as in effect immediately prior to such reduction provided, however, that one or more reductions in base compensation or target bonus opportunity applicable to all executives generally that, cumulatively, total ten percent (10%) or less in base compensation and/or ten (10) percentage points or less in target bonus opportunity will not constitute a material reduction for purposes of this clause (ii); (iii) the relocation of Executive to a facility or a location more than fifty (50) miles from Executive’s then present location; or (iv) a material breach by the Company of this Agreement or any equity award agreement between Company and Executive. In order for an event to qualify as Good Reason, Executive must not terminate employment with the Company and its subsidiaries without first providing the Company or the applicable subsidiary with written notice of the acts or omissions constituting the grounds for “Good Reason” within ninety (90) days of the initial existence of the grounds for “Good Reason” and the Company and the applicable subsidiary shall have failed to cure during a period of thirty (30) days following the date of such notice (the “**Cure Period**”) and Executive shall terminate employment within sixty (60) days after the end of the Cure Period.

(h) Section 409A. “**Section 409A**” means Section 409A of the Code and the final Treasury Regulations and any official Internal Revenue Service guidance promulgated thereunder.

7. Assignment. Neither Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without Executive’s consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets; provided further that if Executive remains employed or become employed by the Company, the purchaser or any of their affiliates in connection with any such transaction, then Executive shall not be entitled to any payments, benefits or vesting pursuant to this Agreement, except as expressly provided in Sections 2. This Agreement shall inure to the benefit of and be binding upon Executive and the Company, and each of Executive’s and the Company’s respective successors, executors, administrators, heirs and permitted assigns.

8. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when personally delivered, when mailed by U.S. or applicable registered or certified mail, return receipt requested and postage prepaid, or when delivered by private courier service such as UPS, DHL or Federal Express that has tracking capability. In the case of Executive, mailed notices will be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the General Counsel of the Company.

(b) Notice of Termination. Any termination by the Company or a subsidiary for Cause or by Executive for Good Reason will be communicated by a notice of termination to the other party hereto given in accordance with Section 8(a) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than thirty (30) days after the giving of such notice or any shorter period required herein).

9. Resignation. Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the Company or any of its respective subsidiaries and affiliates upon the termination of Executive's employment for any reason. Executive shall execute any documents in reasonable form as may be requested to confirm or effectuate any such resignations.

10. Miscellaneous Provisions.

(a) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement (whether by seeking new employment or in any other manner), nor shall any such payment be reduced by any earnings that Executive may receive from any other source.

(b) Waiver. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to equity acceleration benefits to Executive upon termination of Executive's employment for any reason and the Confidentiality Agreement constitutes the entire agreement of the parties thereto with respect to the subject matter thereof. This Agreement supersedes, replaces in their entirety and terminates any prior representations, understandings, undertakings or agreements between the Company and Executive, whether written or oral and whether expressed or implied, that provided any equity acceleration benefits to Executive upon termination of Executive's employment for any reason, including, without limitation, the Change of Control Equity Acceleration Agreement dated December 23, 2019. Nothing in this Agreement shall result in a duplication of severance payments or benefits under any other plan, program or arrangement with the Company. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing and signed by duly authorized representatives of the parties hereto and which specifically mention this Agreement. For the avoidance of doubt, it is the intention of the parties that the provisions of this Agreement providing for acceleration or other modification of the vesting provisions of equity awards are intended to supersede the vesting provisions of any equity awards that are outstanding during the term of this Agreement (except as otherwise explicitly provided in the applicable award agreement).

(e) Clawback Provisions. Notwithstanding any other provision in this Agreement to the contrary, Executive agrees that incentive-based compensation or other amounts paid to Executive pursuant to this Agreement or any other agreement or arrangement with Company will be subject to clawback under any Company clawback policy that is applicable to all senior executives of Company (including any such policy adopted by Company pursuant to applicable law, government regulation or stock exchange listing requirement).

(f) Governing Law and Jurisdiction. This Agreement shall be governed by the laws of the State of Delaware (without giving effect to the conflict of laws principles thereof), and the Company and Executive each consent to personal and exclusive jurisdiction and venue in the State of Delaware for the purpose of any suit, action or other proceeding arising out of or based upon the Agreement.

(g) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision hereof, which will remain in full force and effect.

(h) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income, employment and other taxes.

(i) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Change of Control Equity Acceleration Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

COMPANY

CERENCE INC.

By: /s/ Sachin Sahney

Sachin Sahney

Title: SVP – Chief Human Resources Officer

Date: June 19, 2022

EXECUTIVE

By: /s/ Stefan Ortmanns

Stefan Ortmanns

Title: Chief Executive Officer

Date: June 19, 2022

CERENCE GMBH

CHANGE OF CONTROL AND SEVERANCE AGREEMENT—CEO

This Change of Control and Severance Agreement (the “**Agreement**”) is made and entered into by and between Stefan Ortmanns (“**Executive**”) and Cerence GmbH (the “**Company**”), effective as of the latest date on the signature page of this Agreement (the “**Effective Date**”).

RECITALS

1. The Compensation Committee (the “**Committee**”) of the Board of Directors of the Parent Company (the “**Board**”) has determined that it is in the best interests of the group and its shareholders to assure that the Company will have the continued dedication and objectivity of Executive, notwithstanding the possibility, threat, or occurrence of a Change of Control.

2. The Committee believes that it is imperative to provide Executive with severance benefits upon Executive’s termination of employment under certain circumstances to provide Executive with enhanced financial security, incentive and encouragement to remain with the Company.

3. Certain capitalized terms used in the Agreement and not otherwise defined are defined in Section 4 below.

AGREEMENT

NOW, THEREFORE, in consideration of Executive’s continued employment and the mutual covenants contained herein, the parties hereto agree as follows:

1. **Term of Agreement.** This Agreement will have an initial term commencing on the Effective Date and ending on the third anniversary of the Effective Date (the “**Initial Term**”). The Initial Term will automatically renew for additional, successive one (1) year periods (each a “**Renewal Term**”), unless either party provides written notice of such party’s intent not to continue this Agreement no less than ninety (90) days prior to expiration of the Initial Term or the Renewal Term, as applicable; provided, however, in the event that a Change of Control occurs during the final year of the Initial Term or during any Renewal Term, the Initial Term or the Renewal Term, as applicable, shall automatically be extended until the one (1) year anniversary of the Change of Control (a “**Change of Control Extension**”) (the Initial Term together with any Renewal Terms (each as extended by any Change of Control Extension), if applicable, shall be referred to herein as the “**Term**”). If Executive becomes entitled to benefits under Section 2 during the Term, the Agreement will not terminate until all of the obligations of the parties hereto with respect to this Agreement have been satisfied. For avoidance of doubt, Executive will not be entitled to severance benefits under Section 2 due solely to notice of non-renewal or termination of the Agreement due to non-renewal. The Company and the Executive agree that if the Company adopts an executive severance and change of control plan (a “**Severance Plan**”) with economic terms that are at least as favorable as the terms in this Agreement, this Executive will waive his rights under this Agreement in exchange for participating in the Severance Plan and the Term of this Agreement will end.

2. Severance Benefits.

(a) Termination Other than During Change of Control Period. If Executive's employment with the Company is validly terminated by the Company other than for Cause and for a reason other than due to Executive's death or absence from work due to a disability for a period in excess of one hundred and eighty (180) days in any twelve (12)-month period that qualifies for benefits under the Company's long-term disability program ("**Disability**"), and such termination occurs outside the Change of Control Period, then, subject to the other provisions of this Agreement, Executive will receive from the Company:

(i) Base Salary Severance. A lump sum cash severance payment equal to one hundred fifty percent (150%) of Executive's annual base salary as in effect immediately prior to the termination date.

(ii) Target Bonus Severance. A lump sum cash severance payment equal to one hundred fifty percent (150%) of Executive's target bonus and a prorated percentage of Executive's target bonus as in effect for the fiscal year that includes the termination date. The prorated percentage will be determined by dividing the number of days during the fiscal year for which Executive remained an employee of the Company, by three hundred and sixty-five (365). If Executive's target bonus for the fiscal year including the termination date has not been set as of the termination date, Executive instead will receive a prorated percentage of the target bonus for the immediately preceding fiscal year.

(b) Termination Following a Change of Control. If during the Change of Control Period (i) Executive's employment with the Company is validly terminated by the Company other than for Cause and for a reason other than due to Executive's death or Disability or (ii) Executive resigns for Good Reason, then, subject to the other provisions of this Agreement, Executive will receive from the Company:

(i) Base Salary Severance. A lump sum cash severance payment equal to two hundred percent (200%) of Executive's annual base salary as in effect immediately prior to the termination date (or, if greater, as in effect immediately prior to the Change of Control).

(ii) Target Bonus Severance. A lump sum cash severance payment equal to (A) two hundred percent (200%) of the greater of (1) Executive's target bonus for the year in which Executive's termination occurs, or (2) Executive's target bonus in effect immediately prior to the Change of Control plus (B) a prorated percentage of the greater of (1) Executive's target bonus for the year in which Executive's termination occurs, or (2) Executive's target bonus in effect immediately prior to the Change of Control. The prorated percentage will be determined by dividing the number of days during the fiscal year for which Executive remained an employee of the Company, by three hundred and sixty-five (365). If Executive's target bonus for the fiscal year including the termination date has not been set as of the termination date, Executive instead will receive a prorated percentage of the target bonus for the immediately preceding fiscal year.

(c) Voluntary Resignation; Termination for Cause. If Executive's employment with the Company terminates in a voluntary resignation (other than for Good Reason during the Change of Control Period), or if Executive's employment with the Company is terminated for Cause, then Executive shall not be entitled to receive severance or other benefits except as otherwise provided by applicable law or those (if any) as may be available under the Company's severance and benefit plans and policies in effect at the time of such termination.

(d) Accrued Amounts. Without regard to the reason for, or the timing of, Executive's termination of employment, the Company shall pay Executive: (i) any unpaid base salary due for periods prior to the date of termination, (ii) accrued and unused vacation, as required under the applicable Company policy; and (iii) all expenses incurred by Executive in connection with the business of the Company prior to the date of termination in accordance with the Company's business expense reimbursement policy. Subject to the following sentence, these payments shall be made promptly upon termination and within the period of time mandated by law. In the event of an unfair dismissal action (*Kündigungsschutzklage*) payments for unused vacation shall be made no earlier than upon final and binding completion of the legal dispute.

(e) Exclusive Remedy. In the event of termination of Executive's employment as set forth in Section 2 of this Agreement, the provisions of Section 2 are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive or the Company may otherwise be entitled, whether at law, tort or contract, in equity, or under this Agreement (other than the payment of accrued but unpaid wages, as required by law, or any unreimbursed reimbursable expenses). Any severance payment awarded in accordance with Section 14 of the German Act against Unfair Dismissals shall be offset against any severance benefits payable under Section 2 of this Agreement. During the term of this Agreement, Executive will be entitled to no benefits, compensation or other payments or rights upon termination of employment, including under any offer letter or other agreement with the Company, other than those benefits expressly set forth in Section 2 of this Agreement.

(f) Transfer between Company and any Subsidiary. For purposes of this Section 2, if Executive's employment relationship with the Company or any parent or subsidiary of the Company ceases, Executive will not, solely by virtue thereof, be determined to have been terminated without Cause for purposes of this Agreement if Executive continues to remain employed by the Company or any subsidiary of the Company immediately thereafter (e.g., upon transfer of Executive's employment from the Company to a Company subsidiary).

3. Conditions to Receipt of Severance

(a) Release of Claims Agreement. The receipt of any severance payments or benefits in Section 2 pursuant to this Agreement is subject to Executive signing and not revoking a separation agreement that includes without limitation, if requested by the Company, a non-competition covenant that applies for up to twelve (12) months following Executive's termination of employment, non-disparagement obligations of Executive and a release of claims, all in the form provided by the Company, which must become effective and irrevocable no later than the sixtieth (60th) day following Executive's termination of employment (the "**Release Deadline**"). If such separation agreement does not become effective and irrevocable by the Release Deadline, Executive will forfeit any right to severance payments or benefits under this Agreement. Any cash severance payments or benefits otherwise payable to Executive in a lump sum or otherwise between the termination date and the Release Deadline will be paid on or within fifteen (15) days following the Release Deadline. In no event will any severance payments or benefits be paid or provided until the separation agreement actually becomes effective and irrevocable and, if the separation agreement does not become effective in accordance with its terms on or prior to the Release Deadline, Executive's entitlement to any such severance payments and benefits under this Agreement shall be forfeited on the Release Deadline for no consideration payable to Executive.

(b) Proprietary Information and Non-Competition Agreement. Executive's receipt of any severance payments or benefits under Section 3 will be subject to Executive continuing to comply with the terms of any agreements between Executive and the Company concerning inventions, confidentiality, or restrictive covenants (the "**Confidentiality Agreement**").

4. Definition of Terms. The following terms referred to in this Agreement will have the following meanings:

(a) Cause. "**Cause**" means a reason for termination that is so serious that the employer cannot be expected to wait until the end of the regular period of notice. Such serious reasons for termination might include, in particular, but not exclusively: serious breaches of duty arising from the employment contract such as refusal to work; repeated late appearance; crimes of any kind against the employer, colleagues or clients; discriminatory behaviour towards the employer, colleagues or clients and other serious breaches of trust.

(b) Change of Control. "**Change of Control**" means the occurrence of any of the following events:

(i) any "person" becomes the "beneficial owner", directly or indirectly, of securities of the Parent Company representing more than fifty (50) % of the total voting power represented by the Parent Company's then outstanding voting securities;

(ii) the consummation by the Parent Company of a merger or consolidation of the Parent Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Parent Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty (50%) of the total voting power represented by the voting securities of the Parent Company or such surviving entity outstanding immediately after such merger or consolidation (in substantially the same proportions relative to each other as immediately prior to the transaction); or

(iii) the consummation of the sale or disposition by the Parent Company of all or substantially all of the Parent Company's assets (it being understood that the sale or spinoff of one or more (but not all material) divisions of the Parent Company shall not constitute the sale or disposition of all or substantially all of the Parent Company's assets).

Further and for the avoidance of doubt, a transaction will not constitute a Change of Control if: (i) its sole purpose is to change the state of the Parent Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Parent Company's securities immediately before such transaction.

(c) Change of Control Period. "**Change of Control Period**" means the period beginning on a Change of Control and ending on the one-year anniversary of the Change of Control.

(d) Good Reason. “**Good Reason**” means Executive’s termination of employment within thirty (30) days following the expiration of any cure period (discussed below) following the occurrence of one or more of the following, without Executive’s express written consent: (i) a material reduction in Executive’s duties, authority or responsibilities; (ii) a material reduction by the Company in the annual base compensation or target bonus opportunity (as a percentage of base salary) of Executive as in effect immediately prior to such reduction provided, however, that one or more reductions in base compensation or target bonus opportunity applicable to all executives generally that, cumulatively, total ten percent (10%) or less in base compensation and/or ten (10) percentage points or less in target bonus opportunity will not constitute a material reduction for purposes of this clause (ii); (iii) the relocation of Executive to a facility or a location more than fifty (50) miles from Executive’s then present location; (iv) the failure of the Company to obtain the assumption of this Agreement by any successors contemplated in Section 8 below; or (v) a material breach by the Company of this Agreement or any equity award agreement between Company and Executive. In order for an event to qualify as Good Reason, Executive must not terminate employment with the Company without first providing the Company with written notice of the acts or omissions constituting the grounds for “Good Reason” within ninety (90) days of the initial existence of the grounds for “Good Reason” and the Company shall have failed to cure during a period of thirty (30) days following the date of such notice and Executive shall terminate employment within sixty (60) days after the end of the Cure Period.

5. Executive’s Successors. The terms of this Agreement and all rights of Executive hereunder will inure to the benefit of, and be enforceable by, Executive’s personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

6. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when personally delivered, when mailed by registered or certified mail, with or without return receipt requested and postage prepaid, or when delivered by private courier service such as UPS or Federal Express that has tracking capability. In the case of Executive, mailed notices will be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the registered managing director (*Geschäftsführerin*) of the Company.

(b) Notice of Termination. Any termination by the Company for Cause or by Executive for Good Reason will be communicated by a notice of termination to the other party hereto given in accordance with Section 6(a) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than thirty (30) days after the giving of such notice or any shorter period required herein).

7. Resignation. Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the Company or any of its respective subsidiaries and affiliates upon the termination of Executive’s employment for any reason. Executive shall execute any documents in reasonable form as may be requested to confirm or effectuate any such resignations.

8. Miscellaneous Provisions.

(a) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement (whether by seeking new employment or in any other manner), nor shall any such payment be reduced by any earnings that Executive may receive from any other source.

(b) Waiver. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to severance benefits upon termination of Executive's employment for any reason and the Confidentiality Agreement constitutes the entire agreement of the parties thereto with respect to the subject matter thereof. This Agreement supersedes, replaces in their entirety and terminates, in particular, the Change of Control and Severance Agreement dated December 18, 2019 and any prior representations, understandings, undertakings or agreements between the Company and Executive, whether written or oral and whether expressed or implied, that provided any benefits to Executive upon termination of Executive's employment for any reason. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing and signed by duly authorized representatives of the parties hereto and which specifically mention this Agreement.

(e) Clawback Provisions. Notwithstanding any other provision in this Agreement to the contrary, Executive agrees that incentive-based compensation or other amounts paid to Executive pursuant to this Agreement or any other agreement or arrangement with Company will be subject to clawback under any Company or its parent company clawback policy that is applicable to all senior executives of Company or its parent company (including any such policy adopted by Company pursuant to applicable law, government regulation or stock exchange listing requirement).

(f) Governing Law. This Agreement shall be governed and interpreted in accordance with the laws of the Federal Republic of Germany.

(g) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision hereof, which will remain in full force and effect.

(h) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income, employment and other taxes.

(i) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Change of Control and Severance Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

COMPANY

CERENCE GMBH

By: /s/ Jennifer Salinas

Jennifer Salinas

Title: SVP – General Counsel

Date: June 21, 2022

EXECUTIVE

By: /s/ Stefan Ortmanns

Stefan Ortmanns

Title: Chief Executive Officer

Date: June 19, 2022