

| OMB APPROVAL | |
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

| | | |
|---|---|---|
| 1. Name and Address of Reporting Person* <u>Bailey Brian D.</u> (Last) (First) (Middle) C/O CARMICHAEL INVESTMENT PARTNERS LLC 4725 PIEDMONT ROW DRIVE, SUITE 210 (Street) CHARLOTTE NC 28210 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>Bandwidth Inc. [BAND]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) 05/11/2020 | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|----------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Class A Common Stock | 05/11/2020 | | M | | 31,250 | A | \$5.8 | 41,924 | I | See footnotes ⁽¹⁾⁽²⁾⁽³⁾ |
| Class A Common Stock | 05/11/2020 | | S | | 31,250 | D | \$110.36 | 10,674 | I | See footnotes ⁽¹⁾⁽²⁾⁽³⁾ |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|--------|--|-----------------|---|--|--|---|--|-----------------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | | Title |
| Stock option (right to buy) | \$5.8 | 05/11/2020 | | M | | | 31,250 | (4) | 08/20/2020 | Class A Common Stock | 31,250 | \$0 | 0 | I | See footnote ⁽⁵⁾ |

Explanation of Responses:

- Following the transactions reported herein, consists of (i) 1,517 shares of Class A Common Stock held by Carmichael Investment Partners, LLC ("CIP"), (ii) 908 shares of Class A Common Stock held by Carmichael Investment Partners II, LLC ("CIP II"), (iii) 608 shares of Class A Common Stock held by Carmichael Investment Partners III, LLC ("CIP III" and, together with CIP and CIP II, the "Carmichael Entities") and (iv) 7,641 shares of Class A Common Stock held directly by Brian D. Bailey.
- Pursuant to an agreement between Mr. Bailey and Carmichael Partners LLC, Carmichael Partners LLC is entitled to all economic benefit with respect to 6,066 shares held by Mr. Bailey.
- Carmichael Bandwidth LLC is the managing member of each of the Carmichael Entities. Brian D. Bailey and Kevin J. Martin are the managing partners of Carmichael Bandwidth LLC and Carmichael Partners LLC and share voting and dispositive power with respect to the shares held by the Carmichael Entities and Carmichael Partners LLC. The Reporting Persons disclaims beneficial ownership of the securities reported herein except to the extent of his pecuniary interest therein.
- The stock option is currently exercisable.
- Represents a stock option held directly by Kevin J. Martin. Pursuant to an agreement between Mr. Martin and Carmichael Partners LLC, Carmichael Partners LLC was entitled to all economic benefits of such stock option.

Remarks:

/s/ Brian D. Bailey 05/13/2020

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.