

VONAGE HOLDINGS CORP
Form DEF 14A
April 26, 2013
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-12

VONAGE HOLDINGS CORP.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials:

Edgar Filing: VONAGE HOLDINGS CORP - Form DEF 14A

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

VONAGE HOLDINGS CORP.

23 MAIN STREET

HOLMDEL, NJ 07733

April 26, 2013

Dear Stockholders,

We are pleased to invite you to attend the annual meeting of stockholders of Vonage Holdings Corp. to be held on Thursday, June 6, 2013 at 10:00 a.m., local time. For your convenience, we are pleased that our annual meeting will be a completely virtual meeting, conducted via a live webcast at www.virtualshareholdermeeting.com/VG2013. You will be able to attend our annual meeting, vote your shares electronically and submit questions during the annual meeting. Details regarding admission to the meeting and the business to be conducted are provided in the accompanying Notice of 2013 Annual Meeting of Stockholders and Proxy Statement. Included with the Proxy Statement is a copy of our 2012 annual report, including our Form 10-K for the year ended December 31, 2012 (without exhibits). We encourage you to read our 2012 annual report, which includes our audited financial statements and information about our operations, markets, and products.

Your vote is important. Whether or not you plan to attend the annual meeting, we hope you will vote as soon as possible. You may vote over the Internet, as well as by telephone or by mailing a proxy or voting instruction card. Voting over the Internet, by telephone or by proxy or by providing voting instructions to your broker, trustee or nominee will ensure your representation at the annual meeting regardless of whether you attend. Please review the instructions on the proxy or voting instruction card regarding each of these voting options.

Also, if you plan to attend our annual meeting please see the admission instructions set forth in the Notice of 2013 Annual Meeting of Stockholders.

Thank you for your ongoing support of Vonage. We look forward to your participation in our annual meeting.

Sincerely,

Marc P. Lefar

Chief Executive Officer

Table of Contents

VONAGE HOLDINGS CORP.

23 MAIN STREET

HOLMDEL, NJ 07733

NOTICE OF 2013 ANNUAL MEETING OF STOCKHOLDERS

Time and Date

10:00 a.m., local time, on Thursday, June 6, 2013

Place

via live webcast at www.virtualshareholdermeeting.com/VG2013

Items of Business

At the meeting, we will ask you and our other stockholders to:

- (1) elect three Class I directors for terms to expire at the 2016 annual meeting of stockholders;
- (2) ratify the recent election of one Class III director for a term to expire at the 2015 annual meeting of stockholders;
- (3) ratify the appointment of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013;
- (4) approve the amendment and restatement of our 2006 Incentive Plan to increase the maximum number of shares available for issuance; and
- (5) ratify the extension of our Tax Benefits Preservation Plan.

The stockholders will also act on any other business as may properly come before the meeting or any postponement or adjournment of the meeting. The board of directors has no knowledge of any other business to be transacted at the annual meeting.

Record Date

You may vote if you were a stockholder of record at the close of business on April 12, 2013. A list of these stockholders will be open for examination by any stockholder for any purpose germane to the 2013 annual meeting for a period of 10 days prior to the meeting at our principal executive offices at 23 Main Street, Holmdel, NJ 07733, and electronically during the 2013 annual meeting at www.virtualshareholdermeeting.com/VG2013 when you enter your 12-Digit Control Number.

Proxy Voting

It is important that your shares be represented and voted at the meeting. If you are a stockholder of record and do not plan to attend the meeting, please mark, sign, date and promptly mail your proxy card in the enclosed postage-paid envelope or vote over the Internet or by telephone. You may revoke your proxy at any time before its exercise at the meeting. If you do not hold your shares of record and you do not plan to attend the meeting, please follow the instructions provided by your broker, trustee or other nominee to ensure that your shares are voted.

By order of the Board of Directors,

Kurt M. Rogers, Corporate Secretary

April 26, 2013

Important Notice Regarding the Availability of Proxy Materials for Our

Annual Meeting of Stockholders to Be Held on June 6, 2013

The accompanying proxy statement and our 2012 annual report to stockholders are available at <http://ir.vonage.com/>

Table of Contents**TABLE OF CONTENTS**

	Page No
<u>GENERAL INFORMATION</u>	1
<u>QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING</u>	1
<i>Q: What information is contained in this proxy statement?</i>	1
<i>Q: What shares can I vote?</i>	1
<i>Q: How many votes am I entitled to per share?</i>	1
<i>Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?</i>	2
<i>Q: How can I attend the annual meeting?</i>	2
<i>Q: How can I vote my shares without attending the annual meeting?</i>	2
<i>Q: Can I change my vote?</i>	3
<i>Q: How many shares must be present or represented to conduct business at the annual meeting?</i>	3
<i>Q: What is the voting requirement to approve each of the proposals?</i>	3
<i>Q: What is the effect of not casting a vote?</i>	4
<i>Q: What happens if additional matters are presented at the annual meeting?</i>	4
<i>Q: Who will serve as inspector of elections?</i>	4
<i>Q: What should I do if I receive more than one set of voting materials?</i>	4
<i>Q: What is householding and how do I revoke my consent to the householding program?</i>	5
<i>Q: How may I obtain an additional copy of our 2012 annual report and proxy materials?</i>	5
<i>Q: Who will bear the cost of soliciting votes for the annual meeting?</i>	5
<i>Q: What is the deadline to propose actions for consideration at the 2013 annual meeting of stockholders or to nominate individuals to serve as directors?</i>	6
<u>PROPOSAL NO. 1 ELECTION OF DIRECTORS</u>	7
<u>General</u>	7
<u>Board Composition and Nominees</u>	7
<u>Nominees for Terms Expiring in 2016 (Class I Directors)</u>	8
<u>Directors Whose Terms Expire in 2014 (Class II Directors)</u>	9
<u>Directors Whose Terms Expire in 2015 (Class III Directors)</u>	10
<u>Transactions with Related Persons</u>	11
<u>Recommendation of our Board of Directors</u>	12
<u>PROPOSAL NO. 2 RATIFICATION OF ELECTION OF STEPHEN FISHER TO THE BOARD OF DIRECTORS</u>	13
<u>General</u>	13
<u>Recommendation of our Board of Directors</u>	13
<u>PROPOSAL NO. 3 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	14
<u>General</u>	14
<u>Auditors Fees</u>	14
<u>Pre-Approval Policies and Procedures</u>	14
<u>Recommendation of the Board of Directors</u>	15
<u>PROPOSAL NO. 4 APPROVAL OF THE AMENDMENT AND RESTATEMENT OF OUR 2006 INCENTIVE PLAN TO INCREASE THE MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUANCE</u>	16
<u>General</u>	16
<u>Summary of 2006 Incentive Plan</u>	16
<u>Federal Income Tax Information</u>	20
<u>New Plan Benefits</u>	20
<u>Recommendation of the Board of Directors</u>	20

Table of Contents

<u>PROPOSAL NO. 5 RATIFICATION OF THE EXTENSION OF OUR TAX BENEFITS PRESERVATION PLAN</u>	21
<u>Background</u>	21
<u>Summary of the Rights Agreement</u>	22
<u>Certain Considerations Related to the Rights Agreement</u>	24
<u>Recommendation of the Board of Directors</u>	25
<u>CORPORATE GOVERNANCE</u>	26
<u>Governance Principles</u>	26
<u>Board Leadership Structure</u>	26
<u>Risk Management</u>	27
<u>Board Determination of Independence</u>	27
<u>Board Meetings and Attendance</u>	28
<u>Director Attendance at Annual Meeting of Stockholders</u>	28
<u>Director Retirement Age</u>	28
<u>Directors Changing Their Present Job Responsibilities</u>	28
<u>Board Committees</u>	29
<u>Audit Committee</u>	29
<u>Compensation Committee</u>	30
<u>Nominating and Governance Committee</u>	31
<u>Director Nomination Process</u>	31
<u>Communicating with the Independent Directors</u>	32
<u>Codes of Conduct</u>	32
<u>Audit Committee Report</u>	32
<u>Compensation Committee Interlocks and Insider Participation</u>	33
<u>Compensation Committee Report</u>	33
<u>EXECUTIVE OFFICERS</u>	34
<u>COMPENSATION</u>	36
<u>Compensation Discussion and Analysis</u>	36
<u>Executive Summary</u>	36
<u>Compensation Objectives</u>	38
<u>Engagement of Compensation Consultant</u>	38
<u>Determination of Competitive Compensation</u>	39
<u>Employment Arrangements with our Named Executive Officers</u>	39
<u>Salaries</u>	40
<u>Annual Cash Bonuses</u>	40
<u>Long-Term Incentives</u>	43
<u>Perquisites</u>	44
<u>Equity Grant Practices</u>	45
<u>Post-Employment Compensation</u>	45
<u>Tax Considerations</u>	46
<u>Stock Ownership Guidelines for Executives</u>	46
<u>Claw-back and Hedging Policies</u>	47
<u>Consideration of Say-on-Pay Voting Results</u>	47
<u>Summary Compensation Table</u>	48
<u>Grants of Plan-Based Awards 2012</u>	50
<u>Outstanding Equity Awards at Fiscal Year-End 2012</u>	51
<u>Option Exercises and Stock Vested 2012</u>	52
<u>Impact of Compensation Policies on Risk Management</u>	53
<u>Potential Post-Employment Payments</u>	53
<u>Employment and Related Agreements</u>	54
<u>Potential Payments Upon Termination of Employment or Change-in-Control</u>	58

Table of Contents

<u>DIRECTOR COMPENSATION</u>	59
<u>Cash Compensation Paid to Board Members</u>	59
<u>Equity-Based Grants to Board Members and Stock Ownership Guidelines for Directors</u>	59
<u>2012 Director Compensation</u>	60
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	61
<u>STOCK OWNERSHIP INFORMATION</u>	62
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	65

Table of Contents

VONAGE HOLDINGS CORP.

23 MAIN STREET

HOLMDEL, NJ 07733

PROXY STATEMENT

GENERAL INFORMATION

For Our Annual Meeting of Stockholders to be held on June 6, 2013

Vonage Holdings Corp. (referred to as we, us, our, the company, or Vonage in this document) has sent you this proxy statement and the enclosed proxy card because our board of directors is soliciting your proxy to vote at our 2013 Annual Meeting of Stockholders. The annual meeting will be held on Thursday, June 6, 2013, at 10:00 a.m., local time, via live webcast at www.virtualshareholdermeeting.com/VG2013. If the annual meeting is adjourned or postponed for any reason, the proxies may be used at any adjournments or postponements of the annual meeting. A replay of the webcast will be available on the Investor Relations section of our website through June 30, 2013.

This proxy statement summarizes information about the proposals to be considered at the annual meeting and other information you may find useful in determining how to vote. We are mailing this proxy statement and the enclosed proxy card to stockholders on or about April 26, 2013. We are also enclosing a copy of our annual report, including our Form 10-K for the year ended December 31, 2012 (without exhibits). We sometimes refer to the year ended December 31, 2012 as fiscal year 2012 in this proxy statement.

OTHER INFORMATION

Our Form 10-K for fiscal year 2012, as filed with the Securities and Exchange Commission, or SEC, which includes our audited financial statements, is available free of charge on the Investor Relations section of our website at <http://ir.vonage.com/> or through the SEC's electronic data system at www.sec.gov. To request a printed copy of our Form 10-K (without exhibits), which we will provide to you free of charge, you may: write to Vonage's Investor Relations Department at Vonage Holdings Corp., 23 Main Street, Holmdel, NJ 07733 or call us at 732.365.1328 or send an email through the Vonage Investor Relations website at <http://ir.vonage.com/>.

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

Q: What information is contained in this proxy statement?

A: The information in this proxy statement relates to the proposals to be voted on at the annual meeting, the voting process, the compensation of our directors and most highly paid executive officers in 2012, and certain other required information.

Q: What shares can I vote?

A: Each share of Vonage common stock issued and outstanding as of the close of business on April 12, 2013, which we refer to as the Record Date, is entitled to vote on all items being voted on at the annual meeting. You may vote all shares owned by you as of the Record Date, including (1) shares held directly in your name as the *stockholder of record* and (2) shares held for you as the *beneficial owner in street name* through a broker, trustee or other nominee such as a bank. On the Record Date, we had 212,434,614 shares of common stock issued and outstanding.

Q: How many votes am I entitled to per share?

A: Each holder of shares of common stock is entitled to one vote for each share of common stock held as of the Record Date.

Table of Contents

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: Most Vonage stockholders hold their shares through a broker, trustee or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholder of Record

If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, you are considered, with respect to those shares, the *stockholder of record*, and these proxy materials are being sent directly to you by Vonage. As the *stockholder of record*, you have the right to grant your voting proxy directly to Vonage or to vote in person at the annual meeting. We have enclosed or sent a proxy card for you to use.

Beneficial Owner

If your shares are held in a brokerage account or by a trustee or other nominee, you are considered the *beneficial owner* of shares held *in street name*, and these proxy materials are being forwarded to you together with a voting instruction card by your broker, trustee or nominee, as the case may be. As the *beneficial owner*, you have the right to direct your broker, trustee or nominee how to vote, and you are also invited to attend the annual meeting.

Since a *beneficial owner* is not the *stockholder of record*, you may not vote your shares in person at the annual meeting unless you obtain a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares at the meeting. Your broker, trustee or other nominee can provide you information on how to obtain a legal proxy. Your broker, trustee or nominee has enclosed or provided voting instructions for you to use in directing the broker, trustee or other nominee how to vote your shares.

Q: How can I attend and vote at the annual meeting?

A: You are entitled to attend the annual meeting only if you were a Vonage stockholder or joint holder as of the Record Date, the close of business on April 12, 2013, or you hold a valid proxy for the annual meeting. We will be hosting the 2013 annual meeting live via webcast. A summary of the information you need to attend the annual meeting online is provided below:

Any stockholder can attend the 2013 annual meeting live via the Internet at www.virtualshareholdermeeting.com/VG2013

Webcast starts at 10:00 a.m. local time

Stockholders may vote and submit questions while attending the annual meeting on the Internet

Please have your 12-Digit Control Number to enter the annual meeting

Instructions on how to attend and participate via the Internet, including how to demonstrate proof of stock ownership, are posted at www.virtualshareholdermeeting.com/VG2013

Assistance with questions regarding how to attend and participate via the Internet will be provided at www.virtualshareholdermeeting.com/VG2013 on the day of the annual meeting

Webcast replay of the annual meeting will be available until June 30, 2013

Q: How can I vote my shares without attending the annual meeting?

A: Whether you hold shares directly as the stockholder of record or beneficially in street name, you may direct how your shares are voted without attending the annual meeting. If you are a stockholder of record, you may vote by submitting a proxy. If you hold shares beneficially in street name, you may vote by submitting

Table of Contents

voting instructions to your broker, trustee or nominee. For directions on how to vote, please refer to the instructions below and those included on your proxy card or, for shares held beneficially in street name, the voting instruction card provided by your broker, trustee or nominee.

By Internet Stockholders of record of Vonage common stock with Internet access may submit proxies by following the VOTE BY INTERNET instructions on their proxy cards until 11:59 p.m., Eastern Time, on June 5, 2013. Most Vonage stockholders who hold shares beneficially in street name may vote by accessing the website specified on the voting instruction cards provided by their brokers, trustees or nominees. Please check the voting instruction card for Internet voting availability.

By Telephone Stockholders of record of Vonage common stock who live in the United States or Canada may submit proxies by following the VOTE BY TELEPHONE instructions on their proxy cards until 11:59 p.m., Eastern Time, June 5, 2013. Most Vonage stockholders who hold shares beneficially in street name and live in the United States or Canada may vote by phone by calling the number specified on the voting instruction cards provided by their brokers, trustees or nominees. Please check the voting instruction card for telephone voting availability.

By Mail Stockholders of record of Vonage common stock may submit proxies by completing, signing and dating their proxy cards and mailing them in the accompanying pre-addressed envelopes. Proxy cards submitted by mail must be received by the time of the meeting in order for your shares to be voted. Vonage stockholders who hold shares beneficially in street name may vote by mail by completing, signing and dating the voting instruction cards provided by their brokers, trustees or nominees and mailing them in the accompanying pre-addressed envelopes.

Q: Can I change my vote?

A: You may change your vote at any time prior to the vote at the annual meeting. If you are the stockholder of record, you may change your vote by granting a new proxy bearing a later date (which automatically revokes the earlier proxy) using any of the methods described above (and until the applicable deadline for each method), by providing a written notice of revocation to Vonage's Corporate Secretary at Vonage Holdings Corp., 23 Main Street, Holmdel, NJ 07733 prior to your shares being voted, or by attending the annual meeting on the Internet and voting. Attendance at the meeting on the Internet will not cause your previously granted proxy to be revoked unless you specifically so request. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, trustee or nominee following the instruction it has provided, or, if you have obtained a legal proxy from your broker or nominee giving you the right to vote your shares, by attending the meeting and voting while attending the annual meeting on the Internet.

Q: How many shares must be present or represented to conduct business at the annual meeting?

A: The quorum requirement for holding the annual meeting and transacting business is that holders of a majority of the voting power of the issued and outstanding common stock of Vonage must be present in person or represented by proxy. Broker non-votes (described below) are counted for the purpose of determining the presence of a quorum.

Q: What is the voting requirement to approve each of the proposals?

A: Directors are elected by a plurality of the votes cast. This means that the three Class I candidates for election as directors receiving the highest number of FOR votes will be elected. Stockholders cannot cumulate votes in the election of directors. Votes withheld and broker non-votes are not considered votes cast on this proposal and will not have any effect on the election of directors.

The proposal to ratify the election of one Class III director requires the affirmative FOR vote of a majority of those shares present in person or represented by proxy and voting on the proposal at the annual meeting. Abstentions are considered votes cast and, accordingly, will have the same effect as a vote against the proposal.

Table of Contents

The proposal to ratify the appointment of BDO USA, LLP as our independent registered public accounting firm requires the affirmative FOR vote of a majority of those shares present in person or represented by proxy and voting on the proposal at the annual meeting. Abstentions are considered votes cast and, accordingly, will have the same effect as a vote against the proposal.

The proposal to approve the amendment and restatement of our 2006 Incentive Plan requires the affirmative FOR vote of a majority of those shares present in person or represented by proxy and voting on the proposal at the annual meeting. Abstentions are considered votes cast and, accordingly, will have the same effect as a vote against the proposal.

The proposal to ratify the extension of our Tax Benefits Preservation Plan requires the affirmative FOR vote of a majority of those shares present in person or represented by proxy and voting on the proposal at the annual meeting. Abstentions are considered votes cast and, accordingly, will have the same effect as a vote against the proposal.

Q: What is the effect of not casting a vote?

A: If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. Under New York Stock Exchange rules, brokers would have discretionary voting power with respect to ratification of BDO USA, LLP, but not for the election of directors, ratification of the election of directors, the approval of the amendment and restatement of our 2006 Incentive Plan, or the approval of the extension of our Tax Benefits Preservation Plan. **We encourage you to provide instructions to your broker, trustee or other nominee regarding the voting of your shares.**

If you are a stockholder of record and do not return a proxy card, no votes will be cast on your behalf on any of the items of business at the annual meeting. If you are a stockholder of record and return your proxy card but it does not indicate any voting instructions, such proxy will be voted FOR the election of all director nominees named in this proxy statement, FOR the ratification of the election of one Class III director, FOR the proposal to ratify of BDO USA, LLP, FOR the approval of the amendment and restatement of our 2006 Incentive Plan, and FOR the ratification of the extension of our Tax Benefits Preservation Plan.

Q: What happens if additional matters are presented at the annual meeting?

A: Other than the items of business described in this proxy statement, we are not aware of any other business to be acted upon at the annual meeting. If you grant a proxy, the persons named as proxy holders will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If for any reason any of our nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by our board of directors.

Q: Who will serve as inspector of elections?

A: The inspector of elections will be a representative from Broadridge Investor Communications Services.

Q: What should I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each Vonage proxy card and voting instruction card that you receive.

Table of Contents

Q: What is householding and how do I revoke my consent to the householding program?

A: Vonage has adopted a method of delivery for its proxy materials and annual report called householding. Under this method, we deliver only one copy of the proxy materials and annual report to one or more stockholders who share the same last name and address, unless such stockholders have notified us that they wish to continue to receive multiple copies. Vonage adopted the householding method to reduce the amount of duplicative material that its stockholders receive and to lower printing and mailing costs. Householding is in effect for the 2013 Annual Meeting of Stockholders and will remain in effect for all future annual meetings.

If you are a registered stockholder who previously received multiple copies and wish to continue to receive multiple copies of our proxy materials at the same address, additional copies will be provided to you upon request. You may request multiple copies by notifying us in writing or verbally that you wish to opt out of the householding program at:

Vonage Investor Relations

23 Main Street

Holmdel, NJ 07733

732.365.1328

You may opt out of householding at any time 30 days prior to the mailing of proxy materials. If you own our common stock in street name (such as through a broker), please notify your broker if you wish to continue to receive multiple copies of the proxy materials.

Stockholders who share an address and receive multiple copies of our annual report, including our Form 10-K, and proxy materials can request to receive a single copy of these materials and notices of Internet availability of proxy materials (if applicable) in the future by following the instructions above. Stockholders can also revoke their consent and receive separate copies of these documents in the future by following the instructions above.

Q: How may I obtain an additional copy of our 2012 annual report and proxy materials?

A: Any stockholder may request additional copies of our annual report, including our Form 10-K (without exhibits), and proxy materials by sending an e-mail through the Vonage Investor Relations website at <http://ir.vonage.com/>, calling 732.365.1328 or writing to:

Vonage Investor Relations

23 Main Street

Holmdel, NJ 07733

We will promptly deliver the requested copies. Current and prospective investors can access or order free copies of our annual report, including our Form 10-K (without exhibits) and proxy statement by following these same instructions.

Q: Who will bear the cost of soliciting votes for the annual meeting?

A: Vonage is making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing, and distributing these proxy materials and soliciting votes. If you choose to access the proxy materials or vote over the Internet, you are responsible for Internet access charges you may incur. If you choose to vote by telephone, you are responsible for telephone charges you may incur. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers, and employees, who will not receive any additional compensation for such solicitation activities. We have retained Georgeson Inc. at an estimated cost of \$7,000, plus expenses, to assist in the solicitation of proxies.

Table of Contents

Q: What is the deadline to propose actions for consideration at the 2014 annual meeting of stockholders or to nominate individuals to serve as directors?

A: You may submit proposals, including director nominations, for consideration at future stockholder meetings.

Stockholder Proposals: Any stockholder proposals (other than proposals to nominate directors) intended to be presented at an annual meeting of stockholders called for a date between May 7, 2014 and July 6, 2014 and to be considered for inclusion in our proxy materials must be received by December 27, 2013 and must comply with the procedures of Rule 14a-8 under the Securities Exchange Act of 1934. Stockholder proposals failing to comply with the procedures of Rule 14a-8 will be excluded. Proposals should be addressed to:

Vonage Holdings Corp.

Attn: Corporate Secretary

23 Main Street

Holmdel, NJ 07733

For a stockholder proposal (other than proposals to nominate directors) intended to be presented at an annual meeting of stockholders called for a date between May 17, 2014 and August 5, 2014 that is not intended to be included in Vonage's proxy statement under Rule 14a-8, the stockholder must (1) provide the information required by Section 1.11 of our bylaws and (2) give timely notice to the Corporate Secretary of Vonage in accordance with our bylaws, which, in general, require that the notice be received by the Corporate Secretary of Vonage:

not earlier than February 6, 2014, and

not later than March 8, 2014.

However, in the event that the date of the annual meeting is not held between May 17, 2014 and August 5, 2014, a written proposal that is not intended to be included in Vonage's proxy statement under Rule 14a-8 must be received not earlier than the 120th day prior to the annual meeting and not later than the close of business on the later of (A) the 90th day prior to the annual meeting and (B) the tenth day following the day on which notice of the date of the annual meeting is mailed or public disclosure of the date of the annual meeting is made, whichever first occurs.

Nomination of Director Candidates: You may propose director candidates for consideration by the board of directors nominating and governance committee. Any such recommendations should include the nominee's name and qualifications for board of directors membership and should be directed to the Corporate Secretary of Vonage at the address of our principal executive offices set forth above. For additional information regarding stockholder recommendations for director candidates, see Corporate Governance Director Nomination Process below in this proxy statement.

In addition, our bylaws permit stockholders to nominate directors for election at an annual stockholder meeting. To nominate a director, the stockholder must provide the information required by Section 1.10 of our bylaws. In addition, the stockholder must give timely notice to our Corporate Secretary in accordance with our bylaws, which, in general, require that the notice be received by our Corporate Secretary within the time period described above under Stockholder Proposals for stockholder proposals that are not intended to be included in our proxy statement under Rule 14a-8.

Copy of Bylaw Provisions: You may contact our Corporate Secretary at Vonage Holdings Corp., Attn: Corporate Secretary, 23 Main Street, Holmdel, NJ 07733 for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

Table of Contents

PROPOSAL NO. 1

ELECTION OF DIRECTORS

General

Our board of directors is divided into three classes. One class is elected each year and members of each class hold office for three-year terms. The Class I, Class II, and Class III directors were elected to serve until the annual meetings of stockholders to be held in 2013, 2014, and 2015, respectively, and until their respective successors are elected and qualified. Our board of directors currently consists of eleven members. Michael A. Krupka, David C. Nagel, and Margaret M. Smyth are Class I directors. Marc P. Lefar, Joseph M. Redling, John J. Roberts, and Carl Sparks are Class II directors. Jeffrey A. Citron, Morton David, Stephen Fisher, and Jeffrey J. Misner are Class III directors. As discussed more fully under Corporate Governance Board Determination of Independence, our board has determined that each of Jeffrey Citron, Morton David, Stephen Fisher, Michael A. Krupka, Jeffrey J. Misner, David C. Nagel, Joseph M. Redling, John J. Roberts, Margaret M. Smyth, and Carl Sparks is independent under New York Stock Exchange rules.

Mr. Lefar's employment agreement with us provided for his election to our board of directors upon commencement of his employment in July 2008. His agreement provides that, during the term of his employment, subject to legal and regulatory requirements, our board of directors shall nominate him for re-election at the end of each then current term.

Each of our directors other than Margaret M. Smyth and Stephen Fisher was elected at an annual meeting of shareholders. In September 2012, Peter Barris resigned as a Class I director and we filled the vacancy with Ms. Smyth, who is up for re-election at the 2013 annual meeting as a Class I director. In January 2013, we increased the size of our board of directors from ten to eleven members and filled the newly created Class III vacancy with Mr. Fisher. At that time, even though the term of Class III directors expires in 2015, we announced that we would put Mr. Fisher's election up for ratification at our 2013 annual meeting of stockholders. As discussed in detail under *Boa*