

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>VONAGE 401(K) RETIREMENT PLAN</u>	1b	Three-digit plan number (PN) ► <u>001</u>
		1c	Effective date of plan <u>03/01/2001</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>VONAGE HOLDINGS CORP</u> <u>23 MAIN STREET</u> <u>HOLMDEL, NJ 07733</u>		2b Employer Identification Number (EIN) <u>11-3547680</u> 2c Plan Sponsor's telephone number <u>732-528-2600</u> 2d Business code (see instructions) <u>517000</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/16/2017</u>	<u>MARIE CAMPBELL</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN	
		4c PN	
5 Total number of participants at the beginning of the plan year		5	2131
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	1746
a(2) Total number of active participants at the end of the plan year		6a(2)	1635
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	464
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	2099
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	3
f Total. Add lines 6d and 6e		6f	2102
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	2003
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	163
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply)		9b Plan benefit arrangement (check all that apply)	
(1) ☐ Insurance		(1) ☐ Insurance	
(2) ☐ Code section 412(e)(3) insurance contracts		(2) ☐ Code section 412(e)(3) insurance contracts	
(3) ☒ Trust		(3) ☒ Trust	
(4) ☐ General assets of the sponsor		(4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules		b General Schedules	
(1) ☒ R (Retirement Plan Information)		(1) ☒ H (Financial Information)	
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary		(2) ☐ I (Financial Information – Small Plan)	
(3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		(3) ☐ A (Insurance Information)	
		(4) ☒ C (Service Provider Information)	
		(5) ☐ D (DFE/Participating Plan Information)	
		(6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service <hr/> Department of Labor Employee Benefits Security Administration <hr/> Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2016
		This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning **01/01/2016** and ending **12/31/2016**

A Name of plan VONAGE 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 VONAGE HOLDINGS CORP	D Employer Identification Number (EIN) 11-3547680

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation FIDELITY INVESTMENTS INSTITUTIONAL
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04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	28050	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

STRATEGIC ADVISORS, INC.

04-2654524

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	ADVISOR	17748	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
ARTISAN MID CAP INV - BOSTON FINAN 04-2526037	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
INVS DIVRS DIVD Y - INVESCO INVEST 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
INVS GRTH & INC A - INVESCO INVEST 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.50%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
JPM MIDCAP VALUE L - BOSTON FINANC 330 W. 9TH STREET KANSAS CITY, MO 66160	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP SMALL-CAP VALUE - T. ROWE PRIC 52-2269240	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Internal Revenue Service</small> <small>Department of Labor</small> <small>Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan VONAGE 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 VONAGE HOLDINGS CORP	D Employer Identification Number (EIN) 11-3547680	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	3540470	4519753
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property).....	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans.....	1c(8)	1848630	1910390
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities.....	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	71402937	88647428
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	76792037	95077571

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	76792037	95077571
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	4433814	
(B) Participants	2a(1)(B)	11212300	
(C) Others (including rollovers)	2a(1)(C)	1433870	
(2) Noncash contributions	2a(2)	0	17079984
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1959	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	52547	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		54506
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	3486138	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		3486138
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		2852205
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		23472833

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5105101	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		5105101
f Corrective distributions (see instructions)	2f		5262
g Certain deemed distributions of participant loans (see instructions)	2g		31000
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	17748	
(4) Other	2i(4)	28188	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		45936
j Total expenses. Add all expense amounts in column (b) and enter total	2j		5187299

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		18285534
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: WITHUM SMITH/BROWN PC

(2) EIN: 22-2027092

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year (See instructions.)

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>VONAGE 401(K) RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>VONAGE HOLDINGS CORP</u>	D Employer Identification Number (EIN) <u>11-3547680</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2016
v. 160205

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		
	a The current year	14a	
	b The plan year immediately preceding the current plan year	14b	
	c The second preceding plan year	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year	15a	
	b The corresponding number for the second preceding plan year	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment	☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)	
	a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%	
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more	
	c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____	

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No
22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter / / and the serial number .	
22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter / / .	

VONAGE 401(K) RETIREMENT PLAN

Financial Statements

December 31, 2016 and 2015

With Independent Auditors' Report

Vonage 401(k) Retirement Plan
December 31, 2016 and 2015

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator,
Vonage 401(k) Retirement Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Vonage 401(k) Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, the related statement of changes in net assets available for benefits for the year ended December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2016 and 2015 and for the year ended December 31, 2016, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter – Supplemental Schedules

The supplemental schedule, Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2016 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.



October 11, 2017
Red Bank, NJ

Vonage 401(k) Retirement Plan
Statements of Net Assets Available for Benefits
December 31, 2016 and 2015

	2016	2015
Assets		
Investments, at fair value		
Registered investment companies	\$ 88,647,428	\$ 71,402,937
Money market fund	4,519,753	3,540,470
	<u>93,167,181</u>	<u>74,943,407</u>
Receivables		
Notes receivable from participants	1,910,390	1,848,630
Employees' contributions	--	300,844
Employer contributions	--	109,945
	<u>1,910,390</u>	<u>2,259,419</u>
Net assets available for benefits	<u><u>\$ 95,077,571</u></u>	<u><u>\$ 77,202,826</u></u>

The Notes to the Financial Statements are an integral part of these statements.

Vonage 401(k) Retirement Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2016

Additions

Changes to net assets attributed to investment income:	
Net appreciation in fair value of investments	\$ 2,852,205
Interest income on notes receivable from participants	52,547
Interest and dividend income	<u>3,488,097</u>
Total investment income	6,392,849
 Contributions	
Employer	4,323,869
Participants	10,911,456
Rollover	<u>1,433,870</u>
Total contributions	<u>16,669,195</u>
 Total additions, net	23,062,044

Deductions

Benefits paid to participants	5,110,363
Deemed distributions	31,000
Administrative fees	<u>45,936</u>
Total deductions	<u>5,187,299</u>
 Net increase in net assets	17,874,745

Net assets available for benefits

Beginning of year	<u>77,202,826</u>
End of year	<u><u>\$ 95,077,571</u></u>

The Notes to the Financial Statements are an integral part of this statement.

Vonage 401(k) Retirement Plan
Notes to Financial Statements
December 31, 2016 and 2015

1. DESCRIPTION OF PLAN

The following brief description of the Vonage 401(k) Retirement Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General

The Plan is a participant directed defined contribution plan qualifying under Section 401(k) of the Internal Revenue Code and subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan was established for the purpose of providing eligible employees of Vonage (the "Company") and their beneficiaries' funds for retirement.

Eligibility

Employees are immediately eligible to participate in the Plan on the first day of the month following their date of hire, provided they are 21 years of age. Unless an election to opt-out of the Plan is made, the participant will be automatically enrolled in the Plan.

Employee Contributions

An employee participating in the Plan may elect to contribute 75 percent of annual compensation, not to exceed \$18,000 for both 2016 and 2015. Any participant, age 50 or over, may make an additional "catch-up" contribution as determined by the Internal Revenue Service, which is not to exceed \$6,000 for both 2016 and 2015. The Plan institutes an automatic enrollment provision which will enroll all eligible participants at an initial pre-tax deferral contribution of 2% of annual compensation. Under the Plan, participants may also make Roth elective contributions. Participants direct the investment of their contributions into various investment options offered by the Plan. A participant may suspend contributions or may increase or decrease their level of participation in the Plan at any point in time. Eligible employees may directly roll over amounts from another qualified plan into the Plan.

Employer Discretionary Matching Contributions

The Company may make a discretionary matching contribution. For the years ended December 31, 2016 and 2015, the Company elected to match an amount equal to 50 percent of employee pre-tax contributions subject to a maximum of \$6,000, as defined in the Plan. Employees become vested in the Company's match based on number of years of service with the Company.

Employer Discretionary Contributions

Under the Plan, the Company may make a discretionary profit sharing contribution, which is not limited to its current or accumulated net profit. The amount of the contribution, if any, shall be determined each year by the Company, not to exceed 5.7 percent of the participant's compensation.

The allocation of the profit sharing contribution to participants' account is based on the participants' wage base. Participants will be eligible to receive discretionary contributions provided they are employed on the last day of the plan year and have attained 501 hours or more of service in the Plan in the current Plan year.

Participant Accounts

Individual accounts are established for each participant. The Plan offers a variety of mutual funds with varying investment objectives as investment options. Each participant's account is credited with the participant's pre-tax and Roth contributions, employer contributions, if any, and the proportionate share of dividends, interest and investment gains since the preceding valuation date. The participant's account is reduced by withdrawals, losses on investments, certain administrative fees and any forfeitures. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vonage 401(k) Retirement Plan
Notes to Financial Statements
December 31, 2016 and 2015

Vesting and Forfeitures

A participant is at all times fully vested in the portion of his/her account attributable to participant contributions, plus actual earnings and losses thereon. Vesting in the Company's contributions, plus actual earnings and losses thereon, is based on years of service.

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 1	0%
1	100%

In the event of death while employed by the Company, reaching normal retirement age of 65 or termination of employment after becoming disabled, all participants' balances in the Plan become fully vested.

Forfeitures occur when a participant terminates employment and is less than 100 percent vested in his/her employer account balance. Forfeitures are retained in the Plan and will be used to reduce future employer contributions. The Company may, at its discretion, use the forfeitures to reduce plan expenses. For the year ended December 31, 2016, the Company used approximately \$148,000 to reduce the Company's matching contribution. At December 31, 2016 and 2015, the balance in the forfeited non-vested account totaled approximately \$7,000 and \$60,000, respectively.

Distributions and Withdrawals

Prior to age 59 ½, distributions and withdrawals are not permitted from the Plan except in the instances of hardship, death, disability or termination of employment. Under an early retirement option (age 55), an employee with 5 years of vested service can receive distributions. Hardship withdrawals must be submitted to the plan administrator in writing and make the participant ineligible to contribute to the Plan for six months. After attaining age 59 ½, participants may elect to withdraw an amount equal to any whole percentage not to exceed 100 percent of the participant's vested account for any reason. In the event of termination of employment, a participant shall be entitled to, as a lump-sum distribution, their participant contributions and earnings thereon and vested Company contributions and earnings thereon upon request. In the event that the participant's vested accrued benefit is \$1,000 or less, this amount is distributed to the participant without the participants request.

Notes Receivable from Participants

The Plan allows for loans to be extended to participants for financial hardship or financial needs. All loans are considered a direct investment of the participant and payments of principal and interest are credited to the participant's account. Participants may have two loans at any time provided the aggregate balance of the outstanding loans does not exceed 50 percent of the vested balance, up to a maximum of \$50,000. The loans are payable over a maximum of five years, unless the loan is used to acquire a principal residence, in which case the maximum term is ten years, with interest as specified in the Plan.

The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with the prevailing interest rates as determined by the Plan. Principal and interest, currently ranging from 3.25 percent to 5.00 percent per annum and currently maturing through November 2026, are paid ratably through payroll deductions.

Vonage 401(k) Retirement Plan
Notes to Financial Statements
December 31, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting records of the Plan are maintained and the accompanying financial statements have been prepared on the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts of assets, liabilities and changes therein and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of additions to and deductions from net assets during the reporting period. Accordingly, actual results could differ from those estimates.

Valuation of Investments and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for further discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes gains and losses on investments bought, sold and held during the year, as well as the unrealized appreciation (depreciation) on those investments.

Payment of Benefits

Benefits are recorded when paid.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks including, but not limited to, interest rate, market volatility, economic conditions, currency devaluation and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

Administrative Services

All of the administrative expenses of the Plan are paid by the Company, except for fees charged by Fidelity Management Trust Company, (Fidelity), the Plan's trustee. In addition, participants are charged service fees for any loan and distribution transactions they request and certain investment related expenses have been offset with net investment income and are not readily determinable.

Notes Receivable from Participants

Notes receivables from participants are measured at their unpaid principal balance, plus any accrued, but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Vonage 401(k) Retirement Plan
Notes to Financial Statements
December 31, 2016 and 2015

3. INFORMATION CERTIFIED BY TRUSTEE (UNAUDITED)

No auditing procedures were performed by the independent public accountants, as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA with respect to information certified as complete and accurate by Fidelity, except for comparing such information with the related information included in the financial statements. Based on information provided and certified by the trustee, there are no fixed income obligations, leases or debt instruments in default or deemed uncollectible, as defined by ERISA, for the years ended December 31, 2016 and 2015.

The following information as of and for the years ended December 31, was prepared from reports certified by the trustee:

	2016	2015
Investments,		
Registered investment companies	\$ 88,647,428	\$ 71,402,937
Money market fund	4,519,753	3,540,470
Notes receivable from participants	1,910,390	1,848,630
Net appreciation in fair value of investments	\$ 2,852,205	
Interest income on notes receivable from participants	52,547	
Interest and dividend income	3,488,097	

4. FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board has established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access. Such inputs include quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for the Plan's assets measured at fair value. There have been no changes in the methodologies used for periods presented in these financial statements.

Vonage 401(k) Retirement Plan
Notes to Financial Statements
December 31, 2016 and 2015

Registered investment companies / Money market fund: Investments held by registered investment companies consist of shares of mutual funds and are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. The Plan's money market fund is composed of interest bearing instruments that are considered highly liquid and, as such, has a cost value that approximates fair value.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth, by level within the fair value hierarchy, represent the Plan's investments at fair value as of December 31:

2016				
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 88,647,428	\$ --	\$ --	\$ 88,647,428
Money market fund	<u>4,519,753</u>	<u>--</u>	<u>--</u>	<u>4,519,753</u>
Total	<u>\$ 93,167,181</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 93,167,181</u>
2015				
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 71,402,937	\$ --	\$ --	\$ 71,402,937
Money market fund	<u>3,540,470</u>	<u>--</u>	<u>--</u>	<u>3,540,470</u>
Total	<u>\$ 74,943,407</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 74,943,407</u>

5. PLAN TERMINATION

The Company intends to continue the Plan indefinitely for the benefit of its employees, but reserves the right to modify, amend or terminate the Plan at any time subject to the provisions of ERISA. In the event of termination of the Plan, all amounts credited to participants' accounts shall be 100 percent vested and non-forfeitable.

6. INCOME TAX STATUS AND UNCERTAIN TAX POSITIONS

The Plan adopted a prototype volume submitter profit sharing 401(k) plan. By letter dated March 31, 2014, the Internal Revenue Service has determined that the prototype plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code. The Plan has been amended since receiving the opinion letter. However, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Vonage 401(k) Retirement Plan
Notes to Financial Statements
December 31, 2016 and 2015

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that, as of December 31, 2016 and 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions, however there are currently no audits in progress for any tax periods. In addition, there have been no tax related interest or penalties for periods presented in these financial statements.

7. PARTY-IN-INTEREST TRANSACTIONS

Certain plan investments are shares of mutual funds managed by Fidelity Management Trust Company ("Fidelity"). Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fidelity received certain direct fees, which amounted to \$45,936 for the year ended December 31, 2016 and is included on the accompanying statement of changes in net assets available for benefits as administrative fees. Outstanding notes receivables from participants were \$1,910,390 and \$1,848,630 at December 31, 2016 and 2015, respectively. These transactions qualify as party-in-interest transactions. Transaction fees incurred by the custodian and registered investment companies are absorbed in investment income and are not readily determinable.

8. RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The financial statements utilize the accrual basis of accounting whereas the Form 5500 is reported on the cash basis of accounting.

The following is a reconciliation of net assets available for benefits per the financial statements at to Schedule H of Form 5500 at December 31:

	2016	2015
Net assets available for benefits per financial statements	\$ 95,077,571	\$ 77,202,826
Contribution receivable – employee	--	(300,844)
Contribution receivable – employer	<u>--</u>	<u>(109,945)</u>
Net assets available for benefits per Schedule H of Form 5500	<u>\$ 95,077,571</u>	<u>\$ 76,792,037</u>

The following is a reconciliation of changes in net assets available for benefits per the financial statements to Schedule H of Form 5500 for the plan year ended December 31, 2016:

Net increase in net assets per financial statements	\$ 17,874,745
Employees' contribution receivable at December 31, 2016	--
Employer contribution receivable at December 31, 2016	--
Employees' contribution receivable at December 31, 2015	300,844
Employer contribution receivable at December 31, 2015	<u>109,945</u>
Net increase in net assets per Schedule H of Form 5500	<u>\$ 18,285,534</u>

Vonage 401(k) Retirement Plan
Notes to Financial Statements
December 31, 2016 and 2015

9. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 11, 2017, which is the date the financial statements were available to be issued. Based on this evaluation, the Plan has determined that the following subsequent event has occurred that requires disclosure in the financial statements:

- On January 5, 2017, there was a transfer into the Plan from another qualified plan in the approximate amount of \$1,200,000.

SUPPLEMENTARY INFORMATION

Vonage 401(k) Retirement Plan
Employer ID # 11-3547680, Plan Number - 001
Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2016

(b) Identity of Issuer, Borrower, Lessor or Similar (a) Party		(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
Money market fund				
* Fidelity		Money Market Trust Retirement Money Market Portfolio (Mutual Fund - 4,519,753 shares)	n/a	\$ 4,519,753
Registered investment companies				
Artisan		Mid Cap Fund Investor Class (Mutual Fund - 160,418 shares)	n/a	5,836,002
* Fidelity		Capital Appreciation K Fund (Mutual Fund - 146,389 shares)	n/a	4,644,910
* Fidelity		Contrafund K (Mutual Fund - 104,669 shares)	n/a	10,297,293
* Fidelity		Freedom 2005 K Fund (Mutual Fund - 6,603 shares)	n/a	83,656
* Fidelity		Freedom 2010 K Fund (Mutual Fund - 14,344 shares)	n/a	181,026
* Fidelity		Freedom 2015 K Fund (Mutual Fund - 37,292 shares)	n/a	491,137
* Fidelity		Freedom 2020 K Fund (Mutual Fund - 136,084 shares)	n/a	1,899,739
* Fidelity		Freedom 2025 K Fund (Mutual Fund - 260,030 shares)	n/a	3,793,838
* Fidelity		Freedom 2030 Fund (Mutual Fund - 285,611 shares)	n/a	4,249,896
* Fidelity		Freedom 2035 K Fund (Mutual Fund - 282,265 shares)	n/a	4,352,528
* Fidelity		Freedom 2040 K Fund (Mutual Fund - 340,783 shares)	n/a	5,261,684
* Fidelity		Freedom 2045 K Fund (Mutual Fund - 254,652 shares)	n/a	4,051,519
* Fidelity		Freedom 2050 K Fund (Mutual Fund - 231,106 shares)	n/a	3,704,636
* Fidelity		Freedom 2055 K Fund (Mutual Fund - 161,419 shares)	n/a	1,922,504
* Fidelity		Freedom 2060 K Fund (Mutual Fund - 11,718 shares)	n/a	122,098
* Fidelity		Freedom Income K Fund (Mutual Fund - 63,227 shares)	n/a	734,067
* Fidelity		International Discovery K Fund (Mutual Fund - 113,286 shares)	n/a	4,121,344
* Fidelity		Technology Portfolio (Mutual Fund - 35,139 shares)	n/a	4,572,584
* Fidelity		US Bond Index Fund (Mutual Fund - 323,107 shares)	n/a	3,712,503
* Fidelity		Strategic Income Fund (Mutual Fund - 438,548 shares)	n/a	4,674,919
Invesco		Diversified Dividend Fund Class Y (Mutual Fund - 77,611 shares)	n/a	1,499,439
Invesco		Growth and Income Fund Class A (Mutual Fund - 168,454 shares)	n/a	4,437,073
JP Morgan		Mid Cap Value Fund Institutional Class (Mutual Fund - 66,011 shares)	n/a	2,402,793
Spartan		Extended Market Index Fund - Fidelity Advantage Class (Mutual Fund - 13,997 shares)	n/a	777,374
Spartan		500 Index Fund (Mutual Fund - 59,038 shares)	n/a	4,625,041
Spartan		International Index Fund (Mutual Fund - 59,471 shares)	n/a	2,100,512
T. Rowe Price		Small-Cap Value Fund (Mutual Fund - 90m789 shares)	n/a	4,097,313
Total registered investment companies				<u>88,647,428</u>
Total investments, at fair value				93,167,181
Notes receivable				
* from participants	3.25 - 5.00% through November 2026			<u>1,910,390</u>
Total				<u>\$ 95,077,571</u>

(a) Any line with an asterisk (*) in column (a) represents a transaction with a person known to be a party-in-interest to the Plan.
n/a Cost values are not required.

See Independent Auditors' Report.

VONAGE 401(K) RETIREMENT PLAN

Financial Statements

December 31, 2016 and 2015

With Independent Auditors' Report

Vonage 401(k) Retirement Plan
December 31, 2016 and 2015

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator,
Vonage 401(k) Retirement Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Vonage 401(k) Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, the related statement of changes in net assets available for benefits for the year ended December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2016 and 2015 and for the year ended December 31, 2016, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter – Supplemental Schedules

The supplemental schedule, Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2016 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.



October 11, 2017
Red Bank, NJ

Vonage 401(k) Retirement Plan
Statements of Net Assets Available for Benefits
December 31, 2016 and 2015

	2016	2015
Assets		
Investments, at fair value		
Registered investment companies	\$ 88,647,428	\$ 71,402,937
Money market fund	4,519,753	3,540,470
	<u>93,167,181</u>	<u>74,943,407</u>
Receivables		
Notes receivable from participants	1,910,390	1,848,630
Employees' contributions	--	300,844
Employer contributions	--	109,945
	<u>1,910,390</u>	<u>2,259,419</u>
Net assets available for benefits	<u><u>\$ 95,077,571</u></u>	<u><u>\$ 77,202,826</u></u>

The Notes to the Financial Statements are an integral part of these statements.

Vonage 401(k) Retirement Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2016

Additions

Changes to net assets attributed to investment income:	
Net appreciation in fair value of investments	\$ 2,852,205
Interest income on notes receivable from participants	52,547
Interest and dividend income	<u>3,488,097</u>
Total investment income	6,392,849
Contributions	
Employer	4,323,869
Participants	10,911,456
Rollover	<u>1,433,870</u>
Total contributions	<u>16,669,195</u>
Total additions, net	23,062,044

Deductions

Benefits paid to participants	5,110,363
Deemed distributions	31,000
Administrative fees	<u>45,936</u>
Total deductions	<u>5,187,299</u>
Net increase in net assets	17,874,745

Net assets available for benefits

Beginning of year	<u>77,202,826</u>
End of year	<u><u>\$ 95,077,571</u></u>

The Notes to the Financial Statements are an integral part of this statement.

Vonage 401(k) Retirement Plan
Notes to Financial Statements
December 31, 2016 and 2015

1. DESCRIPTION OF PLAN

The following brief description of the Vonage 401(k) Retirement Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General

The Plan is a participant directed defined contribution plan qualifying under Section 401(k) of the Internal Revenue Code and subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan was established for the purpose of providing eligible employees of Vonage (the "Company") and their beneficiaries' funds for retirement.

Eligibility

Employees are immediately eligible to participate in the Plan on the first day of the month following their date of hire, provided they are 21 years of age. Unless an election to opt-out of the Plan is made, the participant will be automatically enrolled in the Plan.

Employee Contributions

An employee participating in the Plan may elect to contribute 75 percent of annual compensation, not to exceed \$18,000 for both 2016 and 2015. Any participant, age 50 or over, may make an additional "catch-up" contribution as determined by the Internal Revenue Service, which is not to exceed \$6,000 for both 2016 and 2015. The Plan institutes an automatic enrollment provision which will enroll all eligible participants at an initial pre-tax deferral contribution of 2% of annual compensation. Under the Plan, participants may also make Roth elective contributions. Participants direct the investment of their contributions into various investment options offered by the Plan. A participant may suspend contributions or may increase or decrease their level of participation in the Plan at any point in time. Eligible employees may directly roll over amounts from another qualified plan into the Plan.

Employer Discretionary Matching Contributions

The Company may make a discretionary matching contribution. For the years ended December 31, 2016 and 2015, the Company elected to match an amount equal to 50 percent of employee pre-tax contributions subject to a maximum of \$6,000, as defined in the Plan. Employees become vested in the Company's match based on number of years of service with the Company.

Employer Discretionary Contributions

Under the Plan, the Company may make a discretionary profit sharing contribution, which is not limited to its current or accumulated net profit. The amount of the contribution, if any, shall be determined each year by the Company, not to exceed 5.7 percent of the participant's compensation.

The allocation of the profit sharing contribution to participants' account is based on the participants' wage base. Participants will be eligible to receive discretionary contributions provided they are employed on the last day of the plan year and have attained 501 hours or more of service in the Plan in the current Plan year.

Participant Accounts

Individual accounts are established for each participant. The Plan offers a variety of mutual funds with varying investment objectives as investment options. Each participant's account is credited with the participant's pre-tax and Roth contributions, employer contributions, if any, and the proportionate share of dividends, interest and investment gains since the preceding valuation date. The participant's account is reduced by withdrawals, losses on investments, certain administrative fees and any forfeitures. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vonage 401(k) Retirement Plan
Notes to Financial Statements
December 31, 2016 and 2015

Vesting and Forfeitures

A participant is at all times fully vested in the portion of his/her account attributable to participant contributions, plus actual earnings and losses thereon. Vesting in the Company's contributions, plus actual earnings and losses thereon, is based on years of service.

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 1	0%
1	100%

In the event of death while employed by the Company, reaching normal retirement age of 65 or termination of employment after becoming disabled, all participants' balances in the Plan become fully vested.

Forfeitures occur when a participant terminates employment and is less than 100 percent vested in his/her employer account balance. Forfeitures are retained in the Plan and will be used to reduce future employer contributions. The Company may, at its discretion, use the forfeitures to reduce plan expenses. For the year ended December 31, 2016, the Company used approximately \$148,000 to reduce the Company's matching contribution. At December 31, 2016 and 2015, the balance in the forfeited non-vested account totaled approximately \$7,000 and \$60,000, respectively.

Distributions and Withdrawals

Prior to age 59 ½, distributions and withdrawals are not permitted from the Plan except in the instances of hardship, death, disability or termination of employment. Under an early retirement option (age 55), an employee with 5 years of vested service can receive distributions. Hardship withdrawals must be submitted to the plan administrator in writing and make the participant ineligible to contribute to the Plan for six months. After attaining age 59 ½, participants may elect to withdraw an amount equal to any whole percentage not to exceed 100 percent of the participant's vested account for any reason. In the event of termination of employment, a participant shall be entitled to, as a lump-sum distribution, their participant contributions and earnings thereon and vested Company contributions and earnings thereon upon request. In the event that the participant's vested accrued benefit is \$1,000 or less, this amount is distributed to the participant without the participants request.

Notes Receivable from Participants

The Plan allows for loans to be extended to participants for financial hardship or financial needs. All loans are considered a direct investment of the participant and payments of principal and interest are credited to the participant's account. Participants may have two loans at any time provided the aggregate balance of the outstanding loans does not exceed 50 percent of the vested balance, up to a maximum of \$50,000. The loans are payable over a maximum of five years, unless the loan is used to acquire a principal residence, in which case the maximum term is ten years, with interest as specified in the Plan.

The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with the prevailing interest rates as determined by the Plan. Principal and interest, currently ranging from 3.25 percent to 5.00 percent per annum and currently maturing through November 2026, are paid ratably through payroll deductions.

Vonage 401(k) Retirement Plan
Notes to Financial Statements
December 31, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting records of the Plan are maintained and the accompanying financial statements have been prepared on the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts of assets, liabilities and changes therein and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of additions to and deductions from net assets during the reporting period. Accordingly, actual results could differ from those estimates.

Valuation of Investments and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for further discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes gains and losses on investments bought, sold and held during the year, as well as the unrealized appreciation (depreciation) on those investments.

Payment of Benefits

Benefits are recorded when paid.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks including, but not limited to, interest rate, market volatility, economic conditions, currency devaluation and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

Administrative Services

All of the administrative expenses of the Plan are paid by the Company, except for fees charged by Fidelity Management Trust Company, (Fidelity), the Plan's trustee. In addition, participants are charged service fees for any loan and distribution transactions they request and certain investment related expenses have been offset with net investment income and are not readily determinable.

Notes Receivable from Participants

Notes receivables from participants are measured at their unpaid principal balance, plus any accrued, but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Vonage 401(k) Retirement Plan
Notes to Financial Statements
December 31, 2016 and 2015

3. INFORMATION CERTIFIED BY TRUSTEE (UNAUDITED)

No auditing procedures were performed by the independent public accountants, as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA with respect to information certified as complete and accurate by Fidelity, except for comparing such information with the related information included in the financial statements. Based on information provided and certified by the trustee, there are no fixed income obligations, leases or debt instruments in default or deemed uncollectible, as defined by ERISA, for the years ended December 31, 2016 and 2015.

The following information as of and for the years ended December 31, was prepared from reports certified by the trustee:

	2016	2015
Investments,		
Registered investment companies	\$ 88,647,428	\$ 71,402,937
Money market fund	4,519,753	3,540,470
Notes receivable from participants	1,910,390	1,848,630
Net appreciation in fair value of investments	\$ 2,852,205	
Interest income on notes receivable from participants	52,547	
Interest and dividend income	3,488,097	

4. FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board has established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access. Such inputs include quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for the Plan's assets measured at fair value. There have been no changes in the methodologies used for periods presented in these financial statements.

Vonage 401(k) Retirement Plan
Notes to Financial Statements
December 31, 2016 and 2015

Registered investment companies / Money market fund: Investments held by registered investment companies consist of shares of mutual funds and are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. The Plan's money market fund is composed of interest bearing instruments that are considered highly liquid and, as such, has a cost value that approximates fair value.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth, by level within the fair value hierarchy, represent the Plan's investments at fair value as of December 31:

2016				
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 88,647,428	\$ --	\$ --	\$ 88,647,428
Money market fund	<u>4,519,753</u>	<u>--</u>	<u>--</u>	<u>4,519,753</u>
Total	<u>\$ 93,167,181</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 93,167,181</u>

2015				
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 71,402,937	\$ --	\$ --	\$ 71,402,937
Money market fund	<u>3,540,470</u>	<u>--</u>	<u>--</u>	<u>3,540,470</u>
Total	<u>\$ 74,943,407</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 74,943,407</u>

5. PLAN TERMINATION

The Company intends to continue the Plan indefinitely for the benefit of its employees, but reserves the right to modify, amend or terminate the Plan at any time subject to the provisions of ERISA. In the event of termination of the Plan, all amounts credited to participants' accounts shall be 100 percent vested and non-forfeitable.

6. INCOME TAX STATUS AND UNCERTAIN TAX POSITIONS

The Plan adopted a prototype volume submitter profit sharing 401(k) plan. By letter dated March 31, 2014, the Internal Revenue Service has determined that the prototype plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code. The Plan has been amended since receiving the opinion letter. However, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Vonage 401(k) Retirement Plan
Notes to Financial Statements
December 31, 2016 and 2015

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that, as of December 31, 2016 and 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions, however there are currently no audits in progress for any tax periods. In addition, there have been no tax related interest or penalties for periods presented in these financial statements.

7. PARTY-IN-INTEREST TRANSACTIONS

Certain plan investments are shares of mutual funds managed by Fidelity Management Trust Company ("Fidelity"). Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fidelity received certain direct fees, which amounted to \$45,936 for the year ended December 31, 2016 and is included on the accompanying statement of changes in net assets available for benefits as administrative fees. Outstanding notes receivables from participants were \$1,910,390 and \$1,848,630 at December 31, 2016 and 2015, respectively. These transactions qualify as party-in-interest transactions. Transaction fees incurred by the custodian and registered investment companies are absorbed in investment income and are not readily determinable.

8. RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The financial statements utilize the accrual basis of accounting whereas the Form 5500 is reported on the cash basis of accounting.

The following is a reconciliation of net assets available for benefits per the financial statements at to Schedule H of Form 5500 at December 31:

	2016	2015
Net assets available for benefits per financial statements	\$ 95,077,571	\$ 77,202,826
Contribution receivable – employee	--	(300,844)
Contribution receivable – employer	<u>--</u>	<u>(109,945)</u>
Net assets available for benefits per Schedule H of Form 5500	<u>\$ 95,077,571</u>	<u>\$ 76,792,037</u>

The following is a reconciliation of changes in net assets available for benefits per the financial statements to Schedule H of Form 5500 for the plan year ended December 31, 2016:

Net increase in net assets per financial statements	\$ 17,874,745
Employees' contribution receivable at December 31, 2016	--
Employer contribution receivable at December 31, 2016	--
Employees' contribution receivable at December 31, 2015	300,844
Employer contribution receivable at December 31, 2015	<u>109,945</u>
Net increase in net assets per Schedule H of Form 5500	<u>\$ 18,285,534</u>

Vonage 401(k) Retirement Plan
Notes to Financial Statements
December 31, 2016 and 2015

9. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 11, 2017, which is the date the financial statements were available to be issued. Based on this evaluation, the Plan has determined that the following subsequent event has occurred that requires disclosure in the financial statements:

- On January 5, 2017, there was a transfer into the Plan from another qualified plan in the approximate amount of \$1,200,000.

SUPPLEMENTARY INFORMATION

Vonage 401(k) Retirement Plan
Employer ID # 11-3547680, Plan Number - 001
Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2016

(b) Identity of Issuer, Borrower, Lessor or Similar (a) Party		(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
Money market fund				
* Fidelity		Money Market Trust Retirement Money Market Portfolio (Mutual Fund - 4,519,753 shares)	n/a	\$ 4,519,753
Registered investment companies				
Artisan		Mid Cap Fund Investor Class (Mutual Fund - 160,418 shares)	n/a	5,836,002
* Fidelity		Capital Appreciation K Fund (Mutual Fund - 146,389 shares)	n/a	4,644,910
* Fidelity		Contrafund K (Mutual Fund - 104,669 shares)	n/a	10,297,293
* Fidelity		Freedom 2005 K Fund (Mutual Fund - 6,603 shares)	n/a	83,656
* Fidelity		Freedom 2010 K Fund (Mutual Fund - 14,344 shares)	n/a	181,026
* Fidelity		Freedom 2015 K Fund (Mutual Fund - 37,292 shares)	n/a	491,137
* Fidelity		Freedom 2020 K Fund (Mutual Fund - 136,084 shares)	n/a	1,899,739
* Fidelity		Freedom 2025 K Fund (Mutual Fund - 260,030 shares)	n/a	3,793,838
* Fidelity		Freedom 2030 Fund (Mutual Fund - 285,611 shares)	n/a	4,249,896
* Fidelity		Freedom 2035 K Fund (Mutual Fund - 282,265 shares)	n/a	4,352,528
* Fidelity		Freedom 2040 K Fund (Mutual Fund - 340,783 shares)	n/a	5,261,684
* Fidelity		Freedom 2045 K Fund (Mutual Fund - 254,652 shares)	n/a	4,051,519
* Fidelity		Freedom 2050 K Fund (Mutual Fund - 231,106 shares)	n/a	3,704,636
* Fidelity		Freedom 2055 K Fund (Mutual Fund - 161,419 shares)	n/a	1,922,504
* Fidelity		Freedom 2060 K Fund (Mutual Fund - 11,718 shares)	n/a	122,098
* Fidelity		Freedom Income K Fund (Mutual Fund - 63,227 shares)	n/a	734,067
* Fidelity		International Discovery K Fund (Mutual Fund - 113,286 shares)	n/a	4,121,344
* Fidelity		Technology Portfolio (Mutual Fund - 35,139 shares)	n/a	4,572,584
* Fidelity		US Bond Index Fund (Mutual Fund - 323,107 shares)	n/a	3,712,503
* Fidelity		Strategic Income Fund (Mutual Fund - 438,548 shares)	n/a	4,674,919
Invesco		Diversified Dividend Fund Class Y (Mutual Fund - 77,611 shares)	n/a	1,499,439
Invesco		Growth and Income Fund Class A (Mutual Fund - 168,454 shares)	n/a	4,437,073
JP Morgan		Mid Cap Value Fund Institutional Class (Mutual Fund - 66,011 shares)	n/a	2,402,793
Spartan		Extended Market Index Fund - Fidelity Advantage Class (Mutual Fund - 13,997 shares)	n/a	777,374
Spartan		500 Index Fund (Mutual Fund - 59,038 shares)	n/a	4,625,041
Spartan		International Index Fund (Mutual Fund - 59,471 shares)	n/a	2,100,512
T. Rowe Price		Small-Cap Value Fund (Mutual Fund - 90m789 shares)	n/a	4,097,313
Total registered investment companies				<u>88,647,428</u>
Total investments, at fair value				93,167,181
Notes receivable				
* from participants	3.25 - 5.00% through November 2026			<u>1,910,390</u>
Total				<u>\$ 95,077,571</u>

(a) Any line with an asterisk (*) in column (a) represents a transaction with a person known to be a party-in-interest to the Plan.
n/a Cost values are not required.

See Independent Auditors' Report.