

Starent Networks, Corp.  
Form DEF 14A  
April 07, 2008

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

**SCHEDULE 14A**

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Starent Networks, Corp.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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Payment of Filing Fee (Check the appropriate box):

- No fee required.
  - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
    - (1) Title of each class of securities to which transaction applies:
- 

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

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

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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o Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

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(3) Filing Party:

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(4) Date Filed:

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**STARENT NETWORKS, CORP.**

**30 International Place  
Tewksbury, MA 01876**

April 7, 2008

Dear Stockholder:

You are cordially invited to attend the 2008 Annual Meeting of Stockholders of Starent Networks, Corp. to be held at 10:00 a.m., local time, on Thursday, May 22, 2008 at the offices of WilmerHale LLP, 60 State Street, Boston, Massachusetts 02109.

At the Annual Meeting, you will be asked to elect two directors to our Board of Directors and to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm. The Board of Directors recommends approval of each of these proposals.

We hope you will be able to attend the Annual Meeting. Whether or not you plan to attend the Annual Meeting, it is important that your shares are represented. Therefore, please vote your shares on the Internet, by telephone or by completing, signing, dating and returning the enclosed proxy card as soon as possible in the envelope provided. If you attend the meeting and prefer to vote at that time, you may do so.

On behalf of all of our team members and directors, I would like to thank you for your continuing support and confidence.

Sincerely,

*ASHRAF M. DAHOD*  
Chairman, President and  
Chief Executive Officer

**YOUR VOTE IS IMPORTANT.**

**We urge you to promptly vote your shares on the Internet, by telephone or by completing,  
signing, dating and returning the enclosed proxy card.**

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**STARENT NETWORKS, CORP.**

**30 International Place  
Tewksbury, MA 01876**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

*To Be Held On Thursday, May 22, 2008*

The 2008 Annual Meeting of Stockholders of Starent Networks, Corp. will be held at the offices of WilmerHale LLP, 60 State Street, Boston, Massachusetts 02109 on Thursday, May 22, 2008 at 10:00 a.m., local time. At the meeting, stockholders will consider and vote on the following matters:

- (1) To elect two Class I Directors to serve until the 2011 Annual Meeting of Stockholders;
- (2) To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2008; and
- (3) To transact such other business as may properly come before the meeting or any adjournment thereof.

Stockholders of record at the close of business on April 1, 2008 will be entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

By Order of the Board of  
Directors,

*KEVIN F. NEWMAN*  
Secretary

Tewksbury, Massachusetts  
April 7, 2008

**Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the Annual Meeting, please promptly vote your shares on the Internet, by telephone or by completing, signing, dating and returning the enclosed proxy card in the enclosed envelope in order to ensure representation of your shares. No postage need be affixed if the proxy is mailed in the United States.**

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**STARENT NETWORKS, CORP.**

**30 International Place  
Tewksbury, Massachusetts 01876**

**PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS**

*To Be Held On Thursday, May 22, 2008*

**GENERAL INFORMATION ABOUT THE ANNUAL MEETING**

**Solicitation of Proxies**

This proxy statement is furnished in connection with the solicitation of proxies by the board of directors of Starent Networks, Corp. for use at the Annual Meeting of Stockholders to be held on May 22, 2008, and at any adjournment of that meeting. We will bear all costs of solicitation of proxies. In addition to solicitations by mail, our directors, officers and employees, without additional remuneration, may solicit proxies by telephone, telegraph and personal interviews, and we reserve the right to retain outside agencies for the purpose of soliciting proxies. Brokers, custodians and fiduciaries will be requested to forward proxy soliciting material to the owners of stock held in their names, and, as required by law, we will reimburse them for their out-of-pocket expenses in this regard.

The Notice of Annual Meeting, this proxy statement and accompanying proxy and our Annual Report for the fiscal year ended December 31, 2007 are first being mailed to stockholders on or about April 7, 2008.

**Proposals to be Voted Upon**

*Proposal 1.* The first proposal is to elect two directors to our board of directors, each to serve for a term ending in 2011, or until his respective successor has been duly elected and qualified.

*Proposal 2.* The second proposal is to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2008.

When you return your proxy properly signed (or vote on the Internet or by telephone), your shares will be voted by the persons named as proxies in accordance with your directions. You are urged to specify your choices on the enclosed proxy card. If you sign and return your proxy without specifying choices, your shares will be voted "FOR" the election of each of the two director nominees listed in Proposal 1 and "FOR" Proposal 2, and in the discretion of the persons named as proxies in the manner they believe to be in our company's best interests as to other matters that may properly come before the meeting.

**Voting Procedures**

You may vote either in person at the Annual Meeting or by proxy. To vote by proxy, you must select one of the following options:

***Complete the enclosed proxy card:***

Complete all of the required information on the proxy card.

Date and sign the proxy card.

Return the proxy card in the enclosed postage-paid envelope. We must receive the proxy card not later than May 21, 2008, the day before the Annual Meeting, for your proxy to be valid and for your vote to count.



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If you are not the stockholder of record and hold shares through a custodian, broker or other agent, such agent may have special voting instructions that you should follow.

***Vote by telephone (telephone voting instructions are printed on the proxy card):***

Call the toll-free voting telephone number: 1-800-652-8683.

Have the proxy card in hand.

Follow and comply with the recorded instructions before the deadline of May 21, 2008.

If you are not the stockholder of record and hold shares through a custodian, broker or other agent, such agent may have special voting instructions that you should follow.

***Vote on the Internet (Internet voting instructions are printed on the proxy card):***

Access <http://www.investorvote.com>.

Have the proxy card in hand.

Follow the instructions provided on the site.

Submit the electronic proxy before the deadline of May 21, 2008.

If you are not the stockholder of record and hold shares through a custodian, broker or other agent, such agent may have special voting instructions that you should follow.

Telephone and Internet voting ends at 11:59 p.m., Eastern Daylight Time, on May 21, 2008. If you vote in a timely manner by the Internet or telephone, you do not have to return your proxy card for your vote to count. Please be aware that if you vote on the Internet, you may incur costs such as normal telephone and Internet access charges for which you will be responsible.

The Internet and telephone voting procedures appear on the enclosed proxy card. You may also log on to change your vote or to confirm that your vote has been properly recorded before the deadline.

Whether or not you expect to be present in person at the Annual Meeting, you are requested to complete, sign, date and return the enclosed form of proxy or to vote by telephone or Internet. The shares represented by your proxy will be voted in accordance with your instructions. If you attend the meeting, you may vote by ballot. If you want to vote in person at the Annual Meeting, and you own your shares through a custodian, broker or other agent, you must obtain a proxy from that party in their capacity as owner of record for your shares and bring the proxy to the Annual Meeting.

Shares represented by proxies on the enclosed proxy card will be counted in the vote at the Annual Meeting if we receive your proxy card by May 21, 2008. Proxies submitted by the Internet or by telephone will be counted in the vote only if they are received by 11:59 p.m., Eastern Daylight Time, on May 21, 2008.

Your properly completed proxy/voting instruction card will appoint Ashraf M. Dahod, Paul J. Milbury and Kevin F. Newman as proxy holders, or your representatives, to vote your shares in the manner directed therein by you. Mr. Dahod is our President and Chief Executive Officer, Mr. Milbury is our Vice President of Operations and Chief Financial Officer and Mr. Newman is our Vice President, General Counsel and Secretary. Your proxy permits you to direct the proxy holders to:

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vote "for" or to withhold your votes from either or both nominees for director; and

vote "for," "against" or "abstain" from the proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2008.

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All shares entitled to vote and represented by properly completed proxies received prior to the meeting and not revoked will be voted at the meeting in accordance with your instructions. If you do not indicate how your shares are to be voted on a matter, the shares represented by your properly completed proxy will be voted "FOR" the election of both of the nominees for director and "FOR" the proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2008.

### **Revocation of Proxies**

You may revoke your proxy at any time before its use by casting a new vote on the Internet or by telephone or by delivering to us a duly executed proxy or written notice of revocation bearing a later date. If you execute a proxy but are present at the meeting, and you wish to vote in person, you may do so by revoking your proxy. Shares represented by valid proxies, received in time for use at the meeting and not revoked at or prior to the meeting, will be voted at the meeting.

### **Stockholders Entitled to Vote**

Our board of directors has fixed April 1, 2008 as the record date for the meeting. You are entitled to vote (in person or by proxy) at the Annual Meeting if you were a stockholder of record on the record date. On the record date, we had 69,514,069 shares of common stock outstanding (consisting all of our outstanding voting stock). Each share of common stock will have one vote for each matter to be voted on at the Annual Meeting. Holders of common stock do not have cumulative voting rights.

### **Quorum**

A majority of the number of shares of common stock outstanding and entitled to vote at the Annual Meeting constitutes a quorum for purposes of each matter to be voted on at the Annual Meeting. Shares of common stock represented in person or by proxy (including shares that abstain or otherwise do not vote with respect to one or more of the matters presented for stockholder approval) will be counted for purposes of determining whether a quorum is present.

### **Votes Required**

The affirmative vote of the holders of shares representing a plurality of the votes cast by the holders of common stock is required for the election of directors. The affirmative vote of the holders of a majority of the votes cast on the matter is required to ratify the selection of our independent registered public accounting firm.

Shares that abstain from voting as to a particular matter, and shares held in "street name" by a broker or nominee that indicates on a proxy that it does not have discretionary authority to vote as to a particular matter, will not be voted in favor of such matter, and also will not be counted as votes cast on such matter. Accordingly, abstentions and "broker non-votes" will have no effect on the election of directors and the ratification of the selection of our independent registered public accounting firm.

**BENEFICIAL OWNERSHIP OF OUR COMMON STOCK**

The following table sets forth the beneficial ownership of our common stock as of January 15, 2008 by:

each holder of 5% or more of our outstanding common stock known to us;

each director and director nominee;

each executive officer named in the Summary Compensation Table included in this proxy statement; and

all directors and executive officers as a group.

We have determined beneficial ownership in accordance with the rules of the SEC. Except as otherwise indicated, all of the shares reflected in the table are shares of common stock and all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them. Percentage ownership calculations for beneficial ownership are based on 68,836,998 shares issued and outstanding as of January 15, 2008. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of common stock subject to options held by that person that are currently exercisable or exercisable within 60 days of January 15, 2008. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person or entity. Except as otherwise noted below, the address of each beneficial owner listed in the table is c/o Starent Networks, Corp., 30 International Place, Tewksbury, Massachusetts 01876.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Outstanding Common Stock
<i>5% Holders</i>		
Entities affiliated with Matrix Partners(1)	10,542,716	15.3%
Entities affiliated with North Bridge Venture Partners(2)	10,542,720	15.3%
Entities affiliated with Highland Capital Partners(3)	9,649,058	14.0%
FMR LLC(4)	10,300,306	15.0%
<i>Officers and Directors</i>		
Ashraf M. Dahod(5)	6,654,013	9.6%
John P. Delea, Jr.(6)	157,583	*
Pierre G. Kahhale(7)	221,708	*
Thierry Maupilé(8)	116,665	*
Paul J. Milbury	243,819	*
Anthony P. Schoener(9)	472,624	*
Edward T. Anderson(10)	10,609,386	15.4%
Timothy A. Barrows(11)	10,609,382	15.4%
Sean M. Dalton(12)	9,669,890	14.0%
Matthew J. Desch(13)	29,166	*
James A. Dolce, Jr.	66,666	*
Kenneth A. Goldman(14)	33,332	*
All executive officers and directors as a group (17 persons)	39,865,643	56.7%

\*

Less than 1%.

(1)

Consists of 6,272,920 shares held by Matrix Partners VI, L.P., 2,092,730 shares held by Matrix VI Parallel Partnership-A, L.P., 701,089 shares held by Matrix VI Parallel Partnership-B, L.P., 1,298,508 shares held by Weston & Co. VI LLC and 177,469 shares held by Weston & Co. VI LLC, as nominee. Timothy A. Barrows, a member of our board of directors, is a Managing Member of

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Matrix VI Management Co., L.L.C., the general partner of each of Matrix Partners VI, L.P., Matrix Partners VI Parallel Partnership-A, L.P. and Matrix Partners VI Parallel Partnership-B, L.P. (collectively, the "Matrix Partnerships"). Mr. Barrows is the managing member

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of Matrix VI Management Co., L.L.C. and has sole voting and dispositive power with respect to the shares held by the Matrix Partnerships. Mr. Barrows disclaims beneficial ownership of such shares except to the extent of his pecuniary interest, if any. Weston & Co. VI LLC ("Weston" and, together with the Matrix Partnerships, the "Matrix Entities") is nominee for certain beneficial owners, including Mr. Barrows. Mr. Barrows has sole voting and investment control with respect to 177,469 shares beneficially held by Weston for him personally. Mr. Barrows is authorized by the sole member of Weston to take any action with respect to the remaining shares held by Weston as directed by the underlying beneficial owners. Mr. Barrows disclaims beneficial ownership of such remaining shares. The address of the Matrix Entities is c/o Matrix Partners, Bay Colony Corporate Center, 1000 Winter Street, Suite 4500, Waltham, MA 02451. We obtained information regarding the beneficial ownership of these shares solely from a Schedule 13G filed with the SEC on February 14, 2008 by Matrix Partners VI, L.P., Matrix VI Parallel Partnership-A, L.P., Matrix VI Parallel Partnership-B, L.P., Matrix VI Management Co., L.L.C. and Timothy A. Barrows.

- (2) Consists of 7,144,648 shares held of record by North Bridge Venture Partners IV-A, L.P., or NBVP IV-A, and 3,398,072 shares held of record by North Bridge Venture Partners IV-B, L.P., or NBVP IV-B. NBVM GP, LLC, or NVBM, the sole general partner of North Bridge Venture Management IV, L.P. which is the sole general partner of each of NBVP IV-A and NBVP IV-B, has sole voting and dispositive power over these shares. The managers of NVBM having voting and dispositive power over these shares are Edward T. Anderson and Richard A. D'Amore, each of whom disclaims beneficial ownership of such shares except to the extent of their pecuniary interest. Mr. Anderson also serves as a member of our board of directors. The address of NBVP IV-A, L.P. and NBVP IV-B is c/o North Bridge Venture Partners, 950 Winter Street, Suite 4600, Waltham, MA 02451. We obtained information regarding the beneficial ownership of these shares solely from the Schedule 13G, Amendment No. 1, filed with the SEC on March 10, 2008 by NVBM GP, North Bridge Venture Management IV, L.P., North Bridge Venture Partners IV A, L.P., North Bridge Venture Partners IV B, L.P., Edward T. Anderson and Richard A. D'Amore.
- (3) Consists of 6,812,238 shares held of record by Highland Capital Partners V Limited Partnership ("Highland Capital V"), 1,756,128 shares held of record by Highland Capital Partners V-B Limited Partnership ("Highland Capital V-B"), 1,080,692 shares held of record by Highland Entrepreneurs' Fund V Limited Partnership ("Highland Entrepreneurs' Fund" and together with Highland Capital V and Highland Capital V-B, the "Highland Investing Entities"). Highland Management Partners V Limited Partnership ("HMP") is the general partner of Highland Capital V and Highland Capital V-B. HEF V Limited Partnership ("HEF") is the general partner of Highland Entrepreneurs' Fund. Highland Management Partners V, Inc. ("Highland Management") is the general partner of both HMP and HEF. Sean M. Dalton, a member of our board of directors, Robert F. Higgins, Paul A. Maeder and Daniel J. Nova are the managing directors of Highland Management (together, the "Managing Directors"). Highland Management, as the general partner of the general partners of the Highland Investing Entities, may be deemed to have beneficial ownership of the shares held by the Highland Investing Entities. The Managing Directors have shared voting and investment control over all the shares held by the Highland Investing Entities and therefore may be deemed to share beneficial ownership of the shares held by Highland Investing Entities by virtue of their status as controlling persons of Highland Management. Each of the Managing Directors, including Mr. Dalton, disclaims beneficial ownership of the shares held by the Highland Investing Entities, except to the extent of such Managing Director's pecuniary interest therein, if any. The address for the entities affiliated with Highland Capital Partners is 92 Hayden Avenue, Lexington, MA 02421. We obtained information regarding the beneficial ownership of these shares solely from a Schedule 13G filed with the SEC on February 13, 2008 by Highland Capital Partners V Limited Partnership, Highland Capital Partners V-B Limited Partnership, Highland Entrepreneurs' Fund V Limited Partnership, HEF V Limited Partnership, Highland Management Partners V Limited Partnership, Highland Management Partners V, Inc., Robert F. Higgins, Paul A. Maeder, Daniel J. Nova and Sean M. Dalton.
- (4) Of the 10,300,306 shares of common stock deemed beneficially owned, FMR LLC reports sole voting power as to 37,765 shares. Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the 10,300,306 shares of common

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stock. No one person's interest in the 10,300,306 shares of common stock is more than 5% of the total outstanding common stock. We obtained information regarding the beneficial ownership of these shares solely from a Schedule 13G filed with the SEC on January 10, 2008 by FMR LLC jointly with its affiliate, Edward C. Johnson III. The address of FMR LLC is 82 Devonshire Street, Boston, MA 02109.

- (5) Includes 515,830 shares issuable to Mr. Dahod upon exercise of stock options, 284,187 shares held by Shamim Dahod, Mr. Dahod's wife, 4,415,316 shares held by Nooril-Iman, LP, a Delaware limited partnership and 23,012 shares held by Nooril-Iman Management, LLC, a Delaware limited liability company. Mr. Dahod and Shamim Dahod are co-owners and co-managers of Nooril-Iman Management, LLC, the General Partner of Nooril-Iman, LP, and may be deemed to share voting and investment power with respect to the shares held by Nooril-Iman, LP and Nooril-Iman Management, LLC. Mr. Dahod disclaims beneficial ownership of the shares held by Nooril-Iman, LP and Nooril-Iman Management, LLC except to the extent of his pecuniary interest, if any.
- (6) Includes 97,750 shares issuable to Mr. Delea upon exercise of stock options.
- (7) Includes 44,091 shares issuable to Mr. Kahhale upon exercise of stock options and 100,000 shares held in a family trust. Mr. Kahhale is the trustee of the trust and may be deemed to have voting and investment power with respect to the shares held by the trust. Mr. Kahhale disclaims beneficial ownership of the shares held by the trust except to the extent of his pecuniary interest, if any.
- (8) Includes 49,999 shares issuable to Mr. Maupilé upon exercise of stock options.
- (9) Includes 192,624 shares issuable to Mr. Schoener upon exercise of stock options and 100,000 shares held by The Anthony P. Schoener Grantor Retained Annuity Trust-2007 (the "Schoener GRAT"). Mr. Schoener is the trustee of the Schoener GRAT and may be deemed to have voting and investment power with respect to the shares held by the Schoener GRAT. Mr. Schoener disclaims beneficial ownership of the shares held by the Schoener GRAT except to the extent of his pecuniary interest, if any.
- (10) Includes shares described in Note (2) above. Mr. Anderson disclaims beneficial ownership of the shares held by the entities affiliated with North Bridge Venture Partners except to the extent of his pecuniary interest therein, if any.
- (11) Includes shares described in Note (1) above. Mr. Barrows disclaims beneficial ownership of the shares held by the entities affiliated with Matrix Partners except to the extent of his pecuniary interest therein, if any.
- (12) Consists of shares described in Note (3) above and 20,832 shares issuable to Mr. Dalton upon exercise of stock options. Mr. Dalton disclaims beneficial ownership of the shares held by the entities affiliated with Highland Capital Partners except to the extent of his pecuniary interest therein, if any.
- (13) Consists of 29,166 shares issuable to Mr. Desch upon exercise of stock options.
- (14) Consists of 33,332 shares issuable to Mr. Goldman upon exercise of stock options.

### Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and the holders of more than 10% of our common stock to file with the SEC initial reports of ownership of our common stock and other equity securities on a Form 3 and reports of changes in such ownership on a Form 4 or Form 5. Officers, directors and 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on our review of copies of reports filed by our directors and executive officers pursuant to Section 16(a) or written representations by the persons required to file these reports, we believe that during 2007 all filing requirements of Section 16(a) were satisfied.

**BOARD OF DIRECTORS AND CORPORATE GOVERNANCE INFORMATION****Members of the Board of Directors and Director Nominees**

Our board of directors is divided into three classes, with members of each class holding office for staggered three-year terms. There are currently two Class I Directors, whose terms expire at this Annual Meeting; two Class II Directors, whose terms expire at the 2009 Annual Meeting; and three Class III Directors, whose terms expire at the 2010 Annual Meeting (in all cases subject to the election and qualification of their successors or to their earlier death, resignation or removal).

The following table and biographical descriptions set forth information regarding the principal occupation, other affiliations, committee memberships and age of the nominees for election as director and for each director continuing in office, based on information furnished to us by those persons. The following information is as of March 31, 2008, unless otherwise noted.

<b>Name</b>	<b>Age</b>	<b>Position(s)</b>	<b>Term as a Director Ends</b>	<b>Class</b>
<i>Nominees for Election as a Class I Director:</i>				
Sean M. Dalton(1)	37	Director	2008	I
Matthew J. Desch(2)	50	Director	2008	I
<i>Directors Continuing in Office:</i>				
James A. Dolce, Jr.(2)(3)	45	Director	2009	II
Kenneth A. Goldman(1)(3)	58	Director	2009	II
Edward T. Anderson(1)	58	Director	2010	III
Timothy A. Barrows(2)(3)	51	Director	2010	III
Ashraf M. Dahod	57	President and Chief Executive Officer, Director	2010	III

- (1) Member of the audit committee.
- (2) Member of the compensation committee.
- (3) Member of the nominating and governance committee.

***Nominees for Election as a Director (Class I Directors)***

*Sean M. Dalton* has served as one of our directors since July 2001. Mr. Dalton has been a Managing General Partner of Highland Capital Partners, a venture capital firm, since December 2005. Mr. Dalton joined Highland Capital Partners in May 1998 as a Senior Associate and became a General Partner in January 2000. Prior to 1998, Mr. Dalton was a Product Manager Internet Services at GTE, a local telephone service provider, where he developed remote access and other network services for internet service providers and large business customers.

*Matthew J. Desch* has served as one of our directors since June 2006. Mr. Desch is the Chief Executive Officer of Iridium Satellite LLC, a provider of global satellite voice and data communications solutions, where he has served since September 2006. From July 2002 to October 2005, he served as the Chief Executive Officer of Telcordia Technologies, a telecommunications software and services provider. From July 1987 to March 2000, Mr. Desch held several management positions with Nortel Networks, a network communications provider. When Mr. Desch left Nortel Networks in March 2000, he was serving as its Executive Vice President and President, Global Service Providers. Mr. Desch also serves as chairman of the board directors of Airspan Networks, Inc., a wireless voice and data systems provider.

***Directors Continuing in Office***

*Class II Directors*

*James A. Dolce, Jr.* has served as one of our directors since November 2006. Mr. Dolce is the Chief Executive Officer of VeriVue, Inc., a private telecommunications company, where he has served since November 2006. From July 2002 to April 2006, he served as the Executive Vice President of Field Operations for Juniper Networks, Inc., a networking and security solutions provider. From January 2000 to July 2002, Mr. Dolce served as President and Chief Executive Officer of Unisphere Networks, a provider of data and voice platforms for service providers.

*Kenneth A. Goldman* has served as one of our directors since February 2006. Mr. Goldman has been the Chief Financial Officer of Fortinet Inc., a provider of Unified Threat Management security systems, since September 2007. From November 2006 to August 2007, Mr. Goldman was the Executive Vice President and Chief Financial Officer of Dexterra, Inc., a provider of mobile enterprise software. From August 2000 to March 2006, Mr. Goldman served as Senior Vice President, Finance and Administration and Chief Financial Officer of Siebel Systems, Inc., a supplier of customer software solutions and services. From December 1999 to December 2003, Mr. Goldman was a member of the Financial Accounting Standards Advisory Council. From July 1996 to July 2000, Mr. Goldman served as Senior Vice President of Finance and Chief Financial Officer of Excite@Home, Inc., an Internet service provider. Mr. Goldman is a member of the board of directors of BigBand Networks, Inc., a communications equipment company, Infinera Corporation, a provider of digital optical networking systems to telecommunications carriers, and Leadis Technology Inc., a semiconductor company, and is a member of the board of trustees of Cornell University.

*Class III Directors*

*Edward T. Anderson* has served as one of our directors since August 2000. Mr. Anderson has been the Managing Partner of North Bridge Venture Partners, a venture capital firm, since May 1994. Prior to joining North Bridge Venture Partners, Mr. Anderson was a general partner of ABS Ventures, the venture capital affiliate of Alex Brown & Sons. Mr. Anderson is also a member of the board of directors of Sonus Networks, Inc., a voice over IP infrastructure solutions provider.

*Timothy A. Barrows* has served as one of our directors since July 2004. Mr. Barrows has been a General Partner at Matrix Partners, a venture capital firm, since September 1985, and the Managing Partner since January 1998.

*Ashraf M. Dahod* is a co-founder of our company and has served as a director and our President and Chief Executive Officer since August 2000. Prior to founding our company, in 1996, Mr. Dahod co-founded NetCore Systems, Inc., a producer of large-scale, high performance switching products, which was acquired by Tellabs, Inc. in 1999. In 1988, Mr. Dahod co-founded Sigma Network Systems, Inc., a provider of multi-layer, multi-protocol switching systems, and continued to serve in a senior management position with Sigma Network Systems after it was acquired by Standard Microsystems Corporation in 1992. In 1981, Mr. Dahod founded Applitek Corporation, which developed the first cable modem. Applitek was later renamed LANCity and was acquired by Bay Networks, Inc., which was subsequently acquired by Nortel Networks.

**Corporate Governance Matters**

Our board believes that good corporate governance is important to ensure that our company is managed for the long-term benefit of stockholders. This section describe key corporate governance guidelines and practices that we have adopted. Complete copies of our corporate governance guidelines, committee charters and code of conduct described below are available on the "Investors Corporate Governance" section of our website at [www.starentnetworks.com](http://www.starentnetworks.com). Alternatively, you can

request a copy of any of these documents by writing to Investor Relations, Starent Networks, Corp., 30 International Place, Tewksbury, Massachusetts 01876.

### **Corporate Governance Guidelines**

The board has adopted corporate governance guidelines to assist the board in the exercise of its duties and responsibilities and to serve the best interests of our company and our stockholders. These guidelines, which provide a framework for the conduct of the board's business, provide that:

the principal responsibility of the directors is to oversee our management;

a majority of the members of our board must be independent directors;

the independent directors meet regularly in executive session;

directors have full and free access to our officers and employees and, as necessary and appropriate, independent advisors;

new directors participate in an orientation program; and

at least annually our board and its committees will conduct a self-evaluation (including an assessment of the contributions of individual directors) to determine whether they are functioning effectively.

### **Board Determination of Director Independence**

Under Rule 4350 of the Nasdaq Marketplace Rules, a majority of a listed company's board of directors must be comprised of independent directors within one year of listing. In addition, Nasdaq Marketplace Rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and governance committees be independent and that audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended. Under Rule 4200(a)(15) of the Nasdaq Marketplace Rules, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In order to be considered to be independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (1) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries.

Based upon information requested from and provided by each director concerning their background, employment and affiliations, including family relationships, our board of directors has determined that none of Messrs. Anderson, Barrows, Dalton, Desch, Dolce or Goldman, representing six of our seven directors, has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under Rule 4200(a)(15) of the Nasdaq Marketplace Rules. Our board of directors also determined that Messrs. Anderson, Dalton and Goldman, who comprise our audit committee, Messrs. Barrows, Desch and Dolce, who comprise our compensation committee, and Messrs. Barrows, Dolce and Goldman, who comprise our nominating and governance committee, satisfy the independence standards for those committees established by applicable SEC rules and the Nasdaq Marketplace Rules. In making this determination, the board of directors considered the relationships that each non-employee director has with our company and all other facts and circumstances the board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

### **Director Nomination Process**

The process followed by the nominating and corporate governance committee to identify and evaluate director candidates includes requests to board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the committee and our board.

In considering whether to recommend any particular candidate for inclusion in the board's slate of recommended director nominees, the nominating and corporate governance committee applies the criteria set forth in our Corporate Governance Guidelines. These criteria include the candidate's integrity, business acumen, knowledge of our business and industry, experience, diligence, conflicts of interest and the ability to act in the interests of all stockholders. The committee does not assign specific weights to particular criteria and no particular criterion is a prerequisite for each prospective nominee. We believe that the backgrounds and qualifications of our directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will assist our board in fulfilling its responsibilities.

Stockholders may recommend individuals to the nominating and corporate governance committee for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials and a statement as to whether the stockholder or group of stockholders making the recommendation has beneficially owned more than 5% of our common stock for at least a year as of the date such recommendation is made, to the Chairman of the nominating and corporate governance committee, Starent Networks, Corp., 30 International Place, Tewksbury, Massachusetts 01876. Assuming that appropriate biographical and background material has been provided on a timely basis, the committee will evaluate stockholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others.

Stockholders also have the right under our bylaws to directly nominate director candidates, without any action or recommendation on the part of the committee or the board, by following the procedures set forth under "Stockholder Proposals." If the board determines to nominate a stockholder-recommended candidate and recommends his or her election, then his or her name will be included in our proxy statement and proxy card for the next annual meeting. Otherwise, candidates nominated by stockholders in accordance with the procedures set forth in the by-laws will not be included in our proxy statement and proxy card for the next annual meeting.

### **Communicating with the Independent Directors**

Our board will give appropriate attention to written communications that are submitted by stockholders and will respond if and as appropriate. The Chairman of the board is primarily responsible for monitoring communications from stockholders and for providing copies or summaries of such communications to the other directors as he considers appropriate.

Under procedures approved by a majority of the independent directors, communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments that the Chairman of the board considers to be important for the directors to know. In general, communications relating to corporate governance and corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances and matters as to which we receive repetitive or duplicative communications.

Stockholders who wish to send communications on any topic to the board should address such communications in care of the Chairman of the Board of Directors, at Starent Networks, Corp., 30 International Place, Tewksbury, Massachusetts 01876.

## Board Meetings and Attendance

Our board met 13 times during fiscal 2007, either in person or by teleconference. During fiscal 2007, each director attended at least 75% of the aggregate number of board meetings and the number of meetings held by all committees on which he then served.

Our Corporate Governance Guidelines provide that directors are expected to attend the Annual Meeting of Stockholders. In 2007, in connection with our initial public offering, our stockholders acted by written consent in lieu of an annual meeting.

## Board Committees

Our board of directors has established three standing committees – an audit committee, a compensation committee and a nominating and governance committee – each of which operates under a charter that has been approved by our board of directors. Current copies of each committee's charter are posted on the "Investors Corporate Governance" section of our website, [www.starentnetworks.com](http://www.starentnetworks.com).

### *Audit Committee*

The members of our audit committee are Messrs. Anderson, Dalton and Goldman. Our board of directors has determined that each of the members of our audit committee satisfies the requirements for financial literacy under the current requirements of the Nasdaq Global Market rules and regulations. Mr. Goldman is the chairman of the audit committee and is also an "audit committee financial expert," as defined by SEC rules and satisfies the financial sophistication requirements of the Nasdaq Global Market. The audit committee met eight times during 2007.

Our audit committee assists our board of directors in its oversight of our accounting and financial reporting process and the audits of our financial statements. The audit committee's responsibilities include:

appointing, retaining, approving the compensation of, and assessing the independence of, our independent registered public accounting firm;

overseeing the work of our registered public accounting firm, including the receipt and consideration of reports from the firm;

overseeing our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;

establishing procedures for the receipt and retention of accounting related complaints and concerns;

reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures;

reviewing our policies and procedures for approving and ratifying related person transactions, including our related person transaction policy;

meeting independently with our independent registered public accounting firm and management; and

preparing the audit committee report required by SEC rules.

All audit services to be provided to us and all non-audit services, other than de minimus non-audit services, to be provided to us by our independent registered public accounting firm must be approved in advance by our audit committee.



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### *Compensation Committee*

The members of our compensation committee are Messrs. Barrows, Desch and Dolce. Mr. Dolce is the chairman of the compensation committee. The compensation committee met 10 times during 2007.

Our compensation committee assists our board of directors in the discharge of its responsibilities relating to the compensation of our executive officers. The compensation committee's responsibilities include:

reviewing and approving, or making recommendations to the board of directors with respect to, our chief executive officer's compensation;

evaluating the performance of our executive officers and reviewing and approving, or making recommendations to the board of directors with respect to, the compensation of our executive officers;

overseeing and administering, and making recommendations to the board of directors with respect to, our cash bonuses and equity incentive plans;

reviewing and making recommendations to the board of directors with respect to director compensation; and

preparing the compensation committee reports required by SEC rules.

The processes and procedures followed by our compensation committee in considering and determining executive and director compensation are described below under the heading "Compensation Disclosure and Analysis."

### *Nominating and Governance Committee*

The members of our nominating and governance committee are Messrs. Barrows, Dolce and Goldman. Mr. Barrows is the chairman of the nominating and governance committee. The nominating and governance committee met two times in 2007.

The nominating and governance committee's responsibilities include:

recommending to the board of directors the persons to be nominated for election as directors or to fill vacancies on the board of directors, and to be appointed to each of the board's committees;

overseeing an annual review by the board of directors with respect to management succession planning;

developing and recommending to the board of directors corporate governance principles and guidelines; and

overseeing periodic evaluations of the board of directors.

The processes and procedures followed by the nominating and governance committee in identifying and evaluating director candidates are described above under the heading "Director Nomination Process."

### **Code of Business Conduct and Ethics**

We have adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. The code of business conduct and ethics is available on the "Company Investors Corporate Governance"

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section of our website, [www.starentnetworks.com](http://www.starentnetworks.com). In addition, we intend to post on our website all disclosures that are

required by law or Nasdaq stock market listing requirement concerning any amendments to, or waivers from, any provisions of the code of business conduct and ethics.

#### **Compensation Committee Interlocks and Inside Participation**

None of our executive officers serves as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any entity that has one or more executive officers who serve as members of our board of directors or our compensation committee. None of the members of our compensation committee is an officer or employee of our company, nor have they ever been an officer or employee of our company.

#### **Policies and Procedures for Related Person Transactions**

In April 2007, our board of directors adopted a written related person transaction policy to set forth the policies and procedures for the review and approval or ratification of related person transactions. This policy covers any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we were or are to be a participant, the amount involved exceeds \$120,000, and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness, and employment by us of a related person.

Any related person transaction proposed to be entered into by us must be reported to our general counsel and will be reviewed and approved by the audit committee in accordance with the terms of the policy, prior to effectiveness or consummation of the transaction, whenever practicable. If our general counsel determines that advance approval of a related person transaction is not practicable under the circumstances, the audit committee will review and, in its discretion, may ratify the related person transaction at the next meeting of the audit committee, or at the next meeting following the date that the related person transaction comes to the attention of our general counsel. Our general counsel, however, may present a related person transaction arising in the time period between meetings of the audit committee to the chair of the audit committee, who will review and may approve the related person transaction, subject to ratification by the audit committee at the next meeting of the audit committee.

In addition, any related person transaction previously approved by the audit committee or otherwise already existing that is ongoing in nature will be reviewed by the audit committee annually to ensure that such related person transaction has been conducted in accordance with the previous approval granted by the audit committee, if any, and that all required disclosures regarding the related person transaction are made.

Transactions involving compensation of executive officers will be reviewed and approved by the compensation committee in the manner specified in the charter of the compensation committee.

A related person transaction reviewed under this policy will be considered approved or ratified if it is authorized by the audit committee in accordance with the standards set forth in this policy after full disclosure of the related person's interests in the transaction. As appropriate for the circumstances, the audit committee will review and consider:

the related person's interest in the related person transaction;

the approximate dollar value of the amount involved in the related person transaction;

the approximate dollar value of the amount of the related person's interest in the transaction without regard to the amount of any profit or loss;

whether the transaction was undertaken in the ordinary course of business;

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whether the transaction with the related person is proposed to be, or was, entered into on terms no less favorable to us than terms that could have been reached with an unrelated third party;

the purpose of, and the potential benefits to us of, the transaction; and

any other information regard