

COGENT COMMUNICATIONS HOLDINGS, INC.
Form DEFA14A
April 23, 2018

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant ☒ X

Filed by a Party other than the Registrant ☐ O

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 under §240.14a-12

COGENT COMMUNICATIONS HOLDINGS, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- ☐ Fee paid previously with preliminary materials.
- ☐ 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.

Edgar Filing: COGENT COMMUNICATIONS HOLDINGS, INC. - Form DEFA14A

- (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

COGENT COMMUNICATIONS HOLDINGS, INC.

**SUPPLEMENT TO THE PROXY STATEMENT
FOR THE 2018 ANNUAL MEETING OF STOCKHOLDERS**

April 23, 2018

Dear Stockholder:

Institutional Shareholder Services (ISS) recently issued its Proxy Analysis & Benchmark Policy Voting Recommendations (the Report) for the matters to be considered at the 2018 Annual Meeting of Stockholders of Cogent Communications Holdings, Inc. (the Company). In the Report, ISS raised concerns regarding the Company 's responsiveness to the results of the Say-on-Pay vote at the 2017 Annual Meeting of Stockholders.

I wanted to take this opportunity to address some of the concerns raised in the Report and provide additional information regarding the Company 's stockholder engagement efforts, the feedback we received from our investors and the actions we have taken to address these concerns.

Engagement Efforts with Major Institutional Investors

In 2017, I attended 21 investor conferences and had over 380 meetings with more than 200 of our major institutional investors. At these meetings I sought to update the stockholders on our business and industry developments, while at the same time listening to the concerns they raised. This level of engagement is consistent with our past practices regarding investor contact and outreach.

I value our investors ' input, as well as their opinions on corporate governance best practices. I found this engagement constructive and informative and intend to continue these engagement efforts in 2018.

Concerns Voiced by Stockholders

At our 2017 Annual Meeting of Stockholders, approximately 66% of the votes cast on the Say-on-Pay vote were cast in favor of the proposal. I was encouraged that this represented a 22% increase in the level of support from the prior year. However, I am aware that this is short of the 70% benchmark that ISS considers to represent sufficient stockholder approval.

At many of my meetings with investors I asked for views on our executive compensation and corporate governance practices, and ISS's past criticism of the Company's practices. The investors I talked to did not raise concerns with the Company's practices.

Because of the extensive stockholder engagement in 2017 and the lack of investor feedback on our compensation practices at these meetings, we have not implemented any further changes to our compensation practices since the changes that were announced in the 2017 proxy

statement and implemented in 2017. Instead, the Company intends to continue with these pay practices while continuing our outreach efforts in 2018, where we intend to solicit input from our stockholders and engage on these and other important issues facing our Company.

For the reasons stated above, the Company believes the ISS recommendation against our independent directors and against this year's Say-on-Pay vote are unwarranted. We strongly encourage you to vote FOR all of the director nominees named in our proxy statement and FOR the Say-on-Pay proposal.

The Annual Meeting of Stockholders will be held at 9:00 a.m. on May 2, 2018 at the Company's offices at 2450 N Street, NW, Washington, D.C. 20037.

Sincerely,

/s/David Schaeffer
David Schaeffer
Chairman, President and Chief Executive Officer
