

TUCOWS INC /PA/  
Form DEF 14A  
July 28, 2015  
**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

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

**TUCOWS 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.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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July 28, 2015

Dear Fellow Shareholder:

You are cordially invited to attend the 2015 annual meeting of shareholders of Tucows Inc. to be held at the offices of the company, 96 Mowat Avenue, Toronto, Ontario, M6K 3M1, Canada, on Tuesday, September 8, 2015 at 4:30 p.m. (local time).

The accompanying notice of annual meeting and proxy statement describes the matters we will discuss and vote on at the annual meeting. You will also have an opportunity to ask questions.

As permitted by the rules of the Securities and Exchange Commission, we are furnishing proxy materials, including this notice of Annual Meeting, proxy statement, our 2014 Annual Report on Form 10-K and the electronic proxy card for the meeting to our shareholders via the Internet by sending them a Notice of Internet Availability of Proxy Materials (the "Notice") that explains how to access our proxy materials and how to vote online. If you received the Notice and would like us to send you a printed copy of our proxy materials, please follow the instructions included in the Notice.

**Your vote is important.** I hope you will join us at the annual meeting. Whether or not you plan to attend, we encourage you to vote – regardless of the size of your share holdings. Every vote is important, and your participation enables us to listen and act on what matters to you as a shareholder. Please ensure that your shares are represented and voted at the annual meeting in accordance with your instructions by promptly completing, signing, dating and returning the enclosed proxy card in the envelope provided, or by voting your shares over the phone or Internet. Voting via the Internet or by telephone is fast and convenient, and your vote is immediately tabulated and confirmed. Using the Internet or telephone also helps save us money by reducing postage and proxy tabulation costs. You may also be entitled to vote in person at the meeting. Please refer to detailed instructions included in the proxy statement or in the Notice of Internet Availability of Proxy Materials.

We look forward to seeing you on September 8, 2015.

Sincerely,

Elliot Noss  
*President and Chief Executive Officer*

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**TUCOWS INC.**

**96 Mowat Avenue**

**Toronto, Ontario M6K 3M1**

**Canada**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**September 8, 2015**

The 2015 annual meeting of shareholders of Tucows Inc. will be held at 4:30 p.m. (local time) on September 8, 2015 at the offices of the company, 96 Mowat Avenue, Toronto, Ontario, M6K 3M1, Canada, to:

1. Elect seven directors to serve on our Board of Directors until the next annual meeting of shareholders or until their successors are duly elected and qualified;
2. Approve a proposal to amend and restate our 2006 Equity Compensation Plan to: (i) increase the number of authorized shares under the 2006 Plan by 750,000 shares to 2,475,000; (ii) extend the term of the 2006 Plan to September 1, 2025; (iii) require gross counting of shares; (iv) expressly prohibit the repricing of outstanding options and stock appreciation rights; (v) impose a minimum 12 month vesting requirement; (vi) designate a series of performance criteria and establish certain limits on payments for purposes of Internal Revenue Service Code Section 162(m); and (vii) make other technical or otherwise non-material revisions thereto;
3. Ratify the appointment of KPMG LLP as our independent registered public accounting firm to audit our financial statements for the year ending December 31, 2015; and
4. Transact such other business as may properly come before the meeting and any and all adjournments and postponements thereof.

At the annual meeting, our Board of Directors intends to present Allen Karp, Rawleigh Ralls, Erez Gissin, Elliot Noss, Jeffery Schwartz, Robin Chase and Joichi Ito as nominees for election to the Board of Directors.

Only shareholders of record on the books of the company at the close of business on July 13, 2015 will be entitled to notice of, and to vote at, the annual meeting and any adjournment or postponement thereof. Our Board of Directors is

soliciting the enclosed proxy. Please carefully read the accompanying proxy statement for more information regarding the business to be transacted at the annual meeting. You will also find enclosed our 2014 Annual Report on Form 10-K.

We will make available at the annual meeting a complete list of the shareholders entitled to vote at the annual meeting, and you may examine the list for any purpose related to the annual meeting.

Your vote is important. Whether or not you plan to attend, we encourage you to vote – regardless of the size of your share holdings. Every vote is important, and your participation enables us to listen and act on what matters to you as a shareholder. Please ensure that your shares are represented and voted at the annual meeting in accordance with your instructions by promptly completing, signing, dating and returning the enclosed proxy card in the envelope provided, or by voting your shares over the phone or Internet. Voting via the Internet or by telephone is fast and convenient, and your vote is immediately tabulated and confirmed. Using the Internet or telephone also helps save us money by reducing postage and proxy tabulation costs. You may also be entitled to vote in person at the meeting. Please refer to detailed instructions included in the proxy statement or in the Notice of Internet Availability of Proxy Materials.

Michael Cooperman  
*Chief Financial Officer and Secretary*

*Toronto, Ontario*

July 28, 2015

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**Important Notice Regarding the Availability of Proxy Materials for  
the Annual Meeting of Stockholders to Be Held on September 8, 2015:**

**We are furnishing proxy materials to you via the Internet. The Notice of Internet Availability Proxy Materials will instruct you as to how you may vote your proxy. No printed materials will be available unless you specifically request them by following the instructions in the “Notice of Internet Availability of Proxy Materials.” Printed copies will be provided upon request at no charge.**

**This proxy statement and the 2014 Annual Report on Form 10-K are also available at <http://www.tucows.com/investors/filings/> for viewing, downloading and printing. The information on our website is not part of this proxy statement. References to our website in this proxy statement are intended to serve as inactive textual references only.**

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**TUCOWS INC.**

**96 Mowat Avenue**

**Toronto, Ontario M6K 3M1**

**Canada**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**September 8, 2015**

We are sending this proxy statement to shareholders of Tucows Inc., a Pennsylvania corporation (“Tucows” or the “Company”), in connection with our Board of Directors’ solicitation of proxies for use at our annual meeting of shareholders on September 8, 2015. We have also enclosed our 2014 Annual Report on Form 10-K (which does not form a part of the proxy solicitation material).

**VOTING INFORMATION**

**Record Date**

The record date for the annual meeting was July 13, 2015. You may vote all shares of our common stock that you owned as of the close of business on that date. On July 13, 2015, we had 11,083,976 shares of common stock outstanding. Each share of common stock is entitled to one vote on each matter to be voted at the annual meeting. This proxy statement or the Notice of Internet Availability of Proxy Materials (the “Notice”) are being mailed or made available on the Internet on or about July 28, 2015 to shareholders of record as of the close of business on the record date.

## How to Vote

**By mail.** If you hold your shares through a securities broker (that is, in street name), you may complete and mail the voting instruction card forwarded to you by your broker. If you hold your shares in your name as a holder of record, you can vote your shares by proxy by completing, signing and dating the proxy card and returning it in the enclosed postage-paid envelope. A properly completed and returned proxy card will be voted as you instruct, unless you subsequently revoke your instructions.

**By telephone.** If you hold your shares through a securities broker, you may vote by telephone by following the instructions included with the voting instruction card forwarded to you by your broker. If you vote your shares via telephone, you may incur additional charges.

**By Internet.** If you hold your shares through a securities broker, you may vote your shares via the Internet by following the instructions included with the voting instruction card forwarded to you by your broker. If you vote your shares via the Internet, you may incur costs such as telephone and Internet access charges.

**At the annual meeting.** Submitting your vote by mail or via the Internet does not limit your right to vote in person at the annual meeting if you later decide to do so. If you hold your shares in street name and want to vote in person at the annual meeting, you must obtain a proxy from your broker and bring it to the annual meeting.

## Revoking Your Proxy

You can revoke your proxy at any time before your shares are voted at the annual meeting. If you are a shareholder of record, you can send a written notice of revocation to our secretary at our principal executive office (96 Mowat Avenue, Toronto, Ontario, M6K 3M1, Canada) and request another proxy card. If you hold your shares through a broker, bank or other nominee, you can revoke your proxy by contacting the broker, bank or other nominee and asking for a new proxy card. If you submitted your proxy by Internet or by telephone, you can amend your vote by re-voting over the Internet or by telephone. You can also attend the annual meeting and vote in person. Merely attending the annual meeting will not revoke your proxy.

### **Returning Your Proxy without Indicating Your Vote**

If you return a signed proxy card without indicating your vote and do not revoke your proxy, your shares will be voted according to the Board of Directors' recommendations.

### **Quorum Required to Hold the Annual Meeting**

On September 8, 2015 we need the presence of, in person or by proxy, shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast, on a particular matter to be acted upon at the meeting, in order to constitute a quorum for the purpose of consideration of and action on the matter. If a quorum is present then the shareholders can continue to do business and vote on other matters until adjournment. Votes withheld in the election of directors are treated as present for purposes of determining a quorum. If your shares are held in "street name" and you do not give your broker voting instructions, your broker generally will have discretion to vote your shares for "routine" matters such as the proposal to ratify KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015. If your broker votes your shares on this proposal you will be deemed present for purposes of determining a quorum. For more information regarding "routine" and "non-routine" matters and "broker non-votes," see "Street Name Shares and Broker Non-Votes."

### **Vote Required to Elect Directors**

A plurality of the votes cast is required for the election of directors. Accordingly, the seven nominees for election as directors who receive the highest number of votes actually cast will be elected.

### **Votes required to Approve the Amendment and Restatement of our 2006 Equity Compensation Plan**

The affirmative vote of a majority of the votes cast by all holders of shares of common stock represented at the annual meeting, in person or by proxy, and entitled to vote is required to approve the amendment and restatement of our 2006 Equity Compensation.

### **Vote Required to Ratify the Appointment of KPMG LLP**

The affirmative vote of a majority of the votes cast by all shareholders represented at the annual meeting, in person or by proxy, and entitled to vote is required to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2015.

### **Street Name Shares and Broker Non-Votes**

A “broker non-vote” occurs when a bank, broker or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have authority to vote on that particular proposal without receiving voting instructions from the beneficial owner. Under applicable New York Stock Exchange (“NYSE”) rules, brokers cannot exercise discretion to vote shares in an uncontested election of directors or on matters relating to executive compensation (each, a “non-routine” proposal) if the shareholder does not give the broker voting instructions for these matters. To the extent that brokers have not received voting instructions, brokers report such number of shares as “non-votes.” Accordingly, subject to the rules of the NYSE concerning transmission of proxy materials to beneficial owners, and subject to any proxy voting policies and procedures of those brokerage firms, if your shares are held in “street name” and you wish to vote your shares on: (1) the election of directors and (2) approval of the amendment and restatement of our 2006 Equity Compensation Plan you must give your broker voting instructions for these proposals.

Broker non-votes will have no effect on the votes for (1) the election of directors and (2) approval of the amendment and restatement of our 2006 Equity Compensation Plan. Broker non-votes will not occur in connection with the proposal to ratify KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2015 because this is a “routine” matter and brokers, banks, trustee and other nominees have discretionary voting authority to vote shares on this proposal without specific instruction from the beneficial owner of such shares.

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Abstentions will have the same effect as a vote “AGAINST” the proposals for (1) approval of the amendment and restatement of our 2006 Equity Compensation Plan and (2) ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2015.

**Postponement or Adjournment of the Annual Meeting**

If the annual meeting is postponed or adjourned, your proxy will still be valid and may be voted at the rescheduled meeting. You will still be able to revoke your proxy until it is voted.

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**BENEFICIAL OWNERSHIP OF COMMON STOCK AND RELATED SHAREHOLDER MATTERS****Stock Ownership of Executive Officers and Directors**

The following table sets forth the beneficial ownership of our common stock, as of the record date, by our Chief Executive Officer, Mr. Elliot Noss, and Messrs. Michael Cooperman, David Woroch, Ken Schafer and Ms. Carla Goertz, our four other most highly compensated executive officers for the last completed fiscal year (each a “named executive officer”), each of our directors and all of our directors and executive officers as a group. The information on beneficial ownership in the table and related footnotes is based upon data furnished to us by, or on behalf of, the persons referred to in the table. Unless otherwise indicated in the footnotes to the table, each person named has sole voting power and sole investment power with respect to the shares included in the table.

<b>Name</b>	<b>Common Stock Beneficially Owned Excluding Options</b>		<b>Stock Options Exercisable within 60 Days of July 13, 2015</b>	<b>Total Common Stock Beneficially Owned</b>	<b>Percent of Class<sup>(1)</sup></b>	
Named executive officers and directors						
Elliot Noss, President and Chief Executive Officer	713,146	(2)	55,750	768,896	6.9	%
Michael Cooperman, Chief Financial Officer	271,332	(3)	51,062	322,394	2.9	%
David Woroch, Executive Vice-President, Wholesale	124,251	(4)	51,062	175,313	1.6	%
Kenneth Schafer, Executive Vice-President, Product	25		51,062	51,087	*	
Carla Goertz, Executive Vice-President, Human Resources	19,525		61,062	80,587	*	
Erez Gissin, Director	23,750		26,250	50,000	*	
Joichi Ito, Director	6,250		7,500	13,750	*	
Allen Karp, Director	13,750	(5)	35,625	49,375	*	
Rawleigh Ralls, Director	377,500	(6)	25,000	402,500	3.6	%
Jeffrey Schwartz, Director	25,000		35,625	60,625	*	
Robin Chase, Director	----		4,375	4,375	*	

All directors and executive officers as a group	1,574,529	404,373	1,978,902	17.2	%
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\*Less than 1%

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- (1) Based on 11,083,976 shares outstanding as of July 13, 2015, adjusted for shares of common stock beneficially owned but not yet issued.

- (2) Includes an aggregate of 124,036 shares of common stock that are indirectly owned by Mr. Noss. Includes 564,951 shares of Common Stock that are subject to a loan and pledge arrangement entered into by Mr. Noss in order to satisfy the required Canadian taxes and exercise price due in connection with the exercise of expiring options.

- (3) Includes 37,188 shares of common stock that are held in Mr. Cooperman's Registered Retirement Savings Plan ("RRSP") account.

- (4) Includes 54,984 shares of common stock that are held in Mr. Woroch's RRSP account and 10,750 shares of common stock held in his wife's RRSP account.

- (5) Includes 5,000 shares of common stock that are held directly by Mr. Karp's wife.

- (6) Of these shares, 56,250 shares are held in Mr. Ralls' IRA account, 6,250 shares are held in Mrs. Ralls' IRA account and 40,000 are held by Mrs. Ralls directly.

#### **Stock ownership of Principal Shareholders**

The following table sets forth information with respect to each shareholder known to us to be the beneficial owner of more than 5% of our outstanding common stock as of the record date, based on the Schedule 13D, Schedule 13G, or any amendments thereto, filed with the SEC.

#### **Beneficial Ownership of**

#### **Common Stock**

#### **Name and Address of Beneficial Owner**