

COGENT COMMUNICATIONS GROUP INC
Form DEF 14A
March 13, 2009

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

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

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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
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COGENT COMMUNICATIONS GROUP, INC.

(Name of Registrant as Specified In Its Charter)

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

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

1015 31st Street
Washington, D.C. 20007
(202) 295-4200

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON April 23, 2009**

The Annual Meeting of Stockholders of Cogent Communications Group, Inc., a Delaware corporation (the "Company"), will be held on April 23, 2009, at 9:00 a.m., local time, at the Company's offices at 1015 31st Street, NW, Washington, D.C. 20007, for the following purposes:

1. To elect six directors to hold office until the next annual meeting of stockholders and until their respective successors have been elected or appointed.
2. To vote on the ratification of the selection by the Audit Committee of Ernst & Young LLP as the independent registered public accountant for the Company for the fiscal year ending December 31, 2009.
3. To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

The foregoing matters are described in more detail in the enclosed Proxy Statement.

The Board of Directors has fixed March 4, 2009 as the record date for determining stockholders entitled to vote at the Annual Meeting of Stockholders.

The Company's Proxy Statement is attached hereto. Financial and other information about the Company is contained in the enclosed 2008 Annual Report to Stockholders for the fiscal year ended December 31, 2008.

You are cordially invited to attend the meeting in person. Your participation in these matters is important, regardless of the number of shares you own. Whether or not you expect to attend in person, we urge you to complete, sign, date and return the enclosed proxy card as promptly as possible in the enclosed envelope. If you choose to attend the meeting you may then vote in person if you so desire, even though you may have executed and returned the proxy. Any stockholder who executes such a proxy may revoke it at any time before it is exercised. A proxy may be revoked at any time before it is exercised by delivering written notice of revocation to the Company, Attention: Ried Zulager; by delivering a duly executed proxy bearing a later date to the Company; or by attending the Annual Meeting and voting in person.

By Order of the Board of Directors,

Ried Zulager, Secretary

Washington, D.C.
March 17, 2009

COGENT COMMUNICATIONS GROUP, INC.

**Important Notice Regarding the Availability of Proxy Materials for the
Shareholder Meeting to Be Held at 9:00 a.m., April 23, 2009**

The proxy statement and annual report to shareholders (Form 10-K) are available at: <http://www.cogentco.com/Reports>

The materials available at the website are the proxy statement and annual report to shareholders (Form 10-K).

The annual shareholder meeting will be held at 9:00 a.m. on April 23, 2009 at Cogent's offices at 1015 31st Street, NW, Washington, D.C. 20007. The matters to be covered are noted below:

1. Election of directors;
2. Ratification of appointment of Ernst & Young LLP as independent registered public accountants for the fiscal year ending December 31, 2009;
3. Other matters as may properly come before the meeting.

The Board of Directors of Cogent recommends voting FOR Proposal 1 Election of Directors and Proposal 2 Ratification of Appointment of Ernst & Young LLP as independent registered public accountant for the fiscal year ending December 31, 2009.

You are cordially invited to attend the meeting in person. Your participation in these matters is important, regardless of the number of shares you own. Whether or not you expect to attend in person, we urge you to complete, sign, date and return the enclosed proxy card as promptly as possible in the enclosed envelope. If you choose to attend the meeting you may then vote in person if you so desire, even though you may have executed and returned the proxy. Any stockholder who executes such a proxy may revoke it at any time before it is exercised. A proxy may be revoked at any time before it is exercised by delivering written notice of revocation to the Company, Attention: Ried Zulager; by delivering a duly executed proxy bearing a later date to the Company; or by attending the Annual Meeting and voting in person.

1015 31st Street
Washington, D.C. 20007
(202) 295-4200

PROXY STATEMENT

The Board of Directors of Cogent Communications Group, Inc. (the "Company"), a Delaware corporation, is soliciting your proxy on the proxy card enclosed with this Proxy Statement. Your proxy will be voted at the Annual Meeting of Stockholders (the "Annual Meeting") to be held on April 23, 2009, at 9:00 a.m., local time, at the Company's offices at 1015 31st Street, NW, Washington, D.C. 20007, and any adjournment or postponement thereof. This Proxy Statement, the accompanying proxy card and the Company's Annual Report to Stockholders are first being mailed to stockholders on or about March 17, 2009.

VOTING SECURITIES

Voting Rights and Outstanding Shares

Only stockholders of record on the books of the Company as of 5:00 p.m., March 4, 2009 (the "Record Date"), will be entitled to vote at the Annual Meeting. At the close of business on the Record Date, the outstanding voting securities of the Company consisted of 43,268,784 shares of common stock, par value \$0.001 per share.

Holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders.

Votes cast by proxy or in person at the Annual Meeting will be tabulated by the Inspector of Elections with the assistance of the Company's transfer agent. The Inspector will also determine whether or not a quorum is present. Except in very limited circumstances, the affirmative vote of a majority of the shares having voting power present in person or represented by proxy at a duly held meeting at which a quorum is present is required under the Company's Bylaws for approval of proposals presented to stockholders. In general, our Bylaws also provide that a quorum consists of a majority of the shares issued and outstanding and entitled to vote, the holders of which are present in person or represented by proxy. The Inspector will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum and therefore, abstentions will have the effect of a negative vote for purposes of determining the approval of any matter submitted to the stockholders for a vote.

Proxies

The shares represented by the proxies received, properly dated and executed and not revoked will be voted at the Annual Meeting in accordance with the instructions of the stockholders. A proxy may be revoked at any time before it is exercised by:

delivering written notice of revocation to the Company, Attention: Ried Zulager;

delivering a duly executed proxy bearing a later date to the Company; or

attending the Annual Meeting and voting in person.

Any proxy which is returned using the form of proxy enclosed and which is not marked as to a particular item will be voted "FOR" the election of directors, "FOR" the ratification of the selection by

the Audit Committee of Ernst & Young LLP as independent registered public accountants and as the proxy holders deem advisable on other matters that may come before the meeting, as the case may be, with respect to the item not marked. If a broker indicates on the enclosed proxy or its substitute that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will not be considered as present with respect to that matter. The Company believes that the tabulation procedures to be followed by the Inspector are consistent with the general statutory requirements in Delaware concerning voting of shares and determination of a quorum.

The cost of soliciting proxies will be borne by the Company. In addition, the Company may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to such beneficial owners. Proxies may also be solicited by certain of the Company's directors, officers and regular employees, without additional compensation, personally or by telephone or email.

**PROPOSAL NO. 1
ELECTION OF DIRECTORS**

Six directors are to be elected at the Annual Meeting to serve until their respective successors are elected and qualified. Nominees for election to the Board of Directors shall be approved by a majority of the votes cast by holders of our common stock present in person or by proxy at the Annual Meeting, each share being entitled to one vote.

In the event any nominee is unable or unwilling to serve as a nominee, the proxies may be voted for the balance of those nominees named and for any substitute nominee designated by the present Board or the proxy holders to fill such vacancy, or for the balance of those nominees named without nomination of a substitute, or the Board may be reduced in accordance with the Bylaws of the Company. The Board has no reason to believe that any of the persons named will be unable or unwilling to serve as a nominee or as a director if elected.

Set forth below is certain information concerning the six directors of the Company nominated to be elected at the Annual Meeting:

Dave Schaeffer, age 52, founded our Company in August 1999 and is our Chairman of the Board of Directors and Chief Executive Officer. Prior to founding the Company, Mr. Schaeffer was the founder of Pathnet, Inc., a broadband telecommunications provider, where he served as Chief Executive Officer from 1995 until 1997 and as Chairman from 1997 until 1999. Mr. Schaeffer has been a director since 1999.

Steven D. Brooks, age 57, has served on our Board of Directors since October 2003. Mr. Brooks currently serves as Managing Partner of BCP Capital Management, which he co-founded in 1999. From 1997 until 1999, Mr. Brooks headed the technology industry mergers and acquisition practice at Donaldson, Lufkin & Jenrette. Previously, Mr. Brooks held a variety of positions in the investment banking and private equity fields, including: Head of Global Technology Banking at Union Bank of Switzerland, Managing Partner of Corporate Finance at Robertson Stephens, founder and Managing Partner of West Coast technology investment banking at Alex Brown & Sons, and Principal at Rainwater, Inc., a private equity firm in Fort Worth, Texas.

Erel N. Margalit, age 48, has served on our Board of Directors since 2000. Mr. Margalit has been Managing Partner of Jerusalem Venture Partners since August 1997. He was a general partner of Jerusalem Pacific Ventures from December 1993 to August 1997. From 1990 to 1993, Mr. Margalit was Director of Business Development of the City of Jerusalem. Mr. Margalit serves on the board of directors (which also serves as the compensation committee in each case) of Sepaton, Inc., Animation Lab Ltd., Cyber-Ark Software, Inc., Double Fusion Inc., Magink Display Technologies Inc., Jerusalem Software Incubator Ltd., Forterra Systems, Inc., and Siano, Inc. Mr. Margalit, in his capacity as director of a company in Israel, is the subject of a proceeding in which the tax authorities have alleged that the company (which is unrelated to us) failed to pay withholding taxes (which triggers directors liability under the income tax law in Israel). Mr. Margalit was acquitted of all liability on July 2008. The verdict is under an appeal by the government. The proceedings are classified as criminal under the income tax law of Israel.

Timothy Weingarten, age 33, has served on our Board of Directors since October 2003. Mr. Weingarten is a general partner at Worldview Technology Partners, and from 1996 to 2000 was a member of the telecom equipment research group at Robertson Stephens and Company. Mr. Weingarten is also a member of the board of directors of Force10 Networks, Visage Mobile, Zoove, Inc., and Ooma, Inc. He serves on the compensation committee of each of those companies and on the audit committee of Ooma and Visage.

Richard T. Liebhaber, age 73, has served on our Board of Directors since March 2006. Mr. Liebhaber was with IBM from 1954 to 1985, where he held a variety of positions. Subsequently, he

served as executive vice president and member of the management committee at MCI Communications, and from 1992 to 1995, served on the board of directors of MCI. From 1995 to 2001, Mr. Liebhaber served as managing director at Veronis, Suhler & Associates, a New York media merchant banking firm. He also serves on the board of directors of Soapstone, Inc. where he chairs the board and the audit committee and serves on the compensation committee, ILOG Inc. where he serves on the governance committee and chairs the compensation committee, and JDS Uniphase, where he serves on the development and governance committees.

D. Blake Bath, age 46, has served on our Board of Directors since November 2006. He is the CEO of Bay Bridge Capital Management, LLC, an investment firm in Bethesda, MD. From 1996 until 2006, Mr. Bath was Managing Director at Lehman Brothers and, as a senior equity research analyst for Lehman Brothers, was Lehman's lead analyst covering Wireline and Wireless Telecommunications Services. Prior to joining Lehman Brothers he was the primary telecommunications analyst at Sanford C. Bernstein from 1992 to 1996. From 1989 to 1992 he was an analyst in the Strategic Planning and Corporate Finance organizations at MCI Communications.

All of the nominees for directors being voted upon at the Annual Meeting are directors standing for re-election. Unless marked otherwise, proxies received will be voted "FOR" the election of each of the nominees named above.

Recommendation of the Board of Directors:

The Board recommends a vote "FOR" the election of all nominees named above.

Director Not Standing for Reelection:

Lewis H. Ferguson, III, age 64, who currently serves on our board, asked that he not be considered for nomination for reelection because his law firm, Gibson Dunn & Crutcher LLP, has adopted a policy prohibiting members from serving on the boards of directors of public companies.

Mr. Ferguson joined our Board of Directors on March 23, 2007. He is a partner at the law firm of Gibson Dunn & Crutcher LLP in Washington, DC. From 2004 to February 2007 he was general counsel of the Public Company Accounting Oversight Board. He was the first general counsel of PCAOB, a not-for-profit corporation chartered by the U.S. Congress as part of the Sarbanes-Oxley Act of 2002 to oversee auditors of U.S. public companies. From 1998 to 2003 he was a partner at the law firm Williams & Connolly LLP specializing in corporate and business law matters. From 1994 to 1997 he was Senior Vice President and General Counsel and served on the board of directors of Wright Medical Technology, Inc. He is a member of the board of directors of T.E.I. Biosciences, Inc., and Impulse Monitoring.

PROPOSAL NO. 2

Ratification of Appointment of Ernst & Young LLP as Independent Registered Public Accountants

The Audit Committee of the Board has appointed Ernst & Young LLP as the Company's registered public accountant for the fiscal year ending December 31, 2009. Services provided to the Company and its subsidiaries by Ernst & Young LLP in fiscal years 2007 and 2008 are described under "Relationship with Independent Registered Public Accountants Fees and Services of Ernst & Young LLP," below.

We are asking our stockholders to ratify the selection of Ernst & Young LLP as our independent registered public accountants. Although ratification is not required by our Bylaws or otherwise, the Board is submitting the selection of Ernst & Young LLP to our stockholders for ratification as a matter of good corporate practice.

Representatives of Ernst & Young LLP will be available by phone at the annual meeting to respond to appropriate questions.

The affirmative vote of the holders of a majority of shares represented in person or by proxy and entitled to vote on this item will be required for approval. Abstentions will be counted as represented and entitled to vote and will therefore have the effect of a negative vote.

The Board recommends that stockholders vote "FOR" ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accountants for fiscal year 2009. Unless marked otherwise, proxies received will be voted "FOR" the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accountants for 2009.

In the event stockholders do not ratify the appointment, the appointment may be reconsidered by the Audit Committee and the Board. The Company believes that neither the Audit Committee nor the Board is obliged to make any such reconsideration under Delaware law, the rules of the stock exchange on which it is listed, or the rules promulgated by the Securities and Exchange Commission that frame certain specific obligations of the members of all public company audit committees with respect to the selection of independent registered public accountants. Even if the selection is ratified, the Audit Committee in its discretion may select a different registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and our stockholders.

Recommendation of the Board of Directors:

The Board recommends a vote "FOR" the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accountants for 2009.

THE BOARD OF DIRECTORS AND COMMITTEES

The Board of Directors met eight (8) times during 2008 and did not act by unanimous written consent. Each director, during his term as director, attended at least 75% of the meetings of the Board. Each director, during his term as director, attended at least 75% of the meetings of the committees of the Board of which he was a member. During 2008, the Board had a standing Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

Nominating and Corporate Governance Committee

We established our Nominating and Corporate Governance Committee in April 2005. The members of this committee are Messrs. Brooks and Ferguson who are both independent members of our Board. Our Board has adopted a charter governing the activities of the Nominating and Corporate Governance Committee. The charter of the Nominating and Corporate Governance Committee may be

found on the Company's website under the "Investor Relations" link at www.cogentco.com. Pursuant to its charter, the Nominating and Corporate Governance Committee's tasks include identifying individuals qualified to become Board members, recommending to the Board director nominees to fill vacancies in the membership of the Board as they occur and, prior to each annual meeting of stockholders, recommending director nominees for election at such meeting, making recommendations to the Board concerning the size and composition of the Board, conducting succession planning regarding the Chief Executive Officer and other senior officer positions of the Company and leading the Board in its annual review of Board performance. The committee also develops and recommends to the Board corporate governance principles applicable to the Company.

Board candidates are considered based upon various criteria, such as skills, knowledge, perspective, broad business judgment and leadership, relevant specific industry or regulatory affairs knowledge, business creativity and vision, experience, and any other factors appropriate in the context of an assessment of the committee's understood needs of the Board at that time. In addition, the committee considers whether the individual satisfies criteria for independence as may be required by applicable regulations and personal integrity and judgment. Accordingly, the Company seeks to attract and retain highly qualified directors who have sufficient time to attend to their substantial duties and responsibilities to the Company.

The Nominating and Corporate Governance Committee has the sole authority to retain, compensate, and terminate any search firm or firms to be used in connection with the identification, assessment, and/or engagement of directors and director candidates. No such firm has been retained by the Company in the past.

The Nominating and Corporate Governance Committee considers proposed nominees whose names are submitted to it by stockholders; however, it does not have a formal process for that consideration. The Company has not to date adopted a formal process because it believes that the informal consideration process has been adequate. The committee intends to review periodically whether a more formal policy should be adopted. If a stockholder wishes to suggest a proposed name for committee consideration, the name of that nominee and related personal information should be forwarded to the Nominating and Corporate Governance Committee, in care of the corporate Secretary, at least three months before the next annual meeting to ensure meaningful consideration by the committee. See also "Notice of Stockholder Business and Nominations" for Bylaw requirements for nominations.

The Nominating and Corporate Governance Committee had one formal meeting in 2008; that meeting was held in conjunction with a scheduled in-person meeting of the full board to accommodate the views of all members of the Board of Directors concerning its membership and constitution.

Mr. Ferguson (who has decided to not be nominated for reelection to the Board of Directors) will be replaced by the Board of Directors at its meeting following the annual meeting of the stockholders.

Stockholder Communication with Board Members

Although the Company has not to date developed formal processes by which stockholders may communicate directly to directors, it believes that the informal process, in which stockholder communications that are received by the Secretary for the Board's attention, or summaries thereof, are then forwarded to the Board has served the Board's and the stockholders' needs. In view of Securities and Exchange Commission, or SEC, disclosure requirements relating to this issue, the Nominating and Corporate Governance Committee may consider development of more specific procedures. Until any other procedures are developed and posted on the Company's corporate website at www.cogentco.com, any communications to the Board should be sent to it in care of the Secretary.

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Code of Conduct

The Company's Code of Conduct may be found on the Company's website under the "Investor Relations" link at www.cogentco.com.

Board Member Attendance at Annual Meetings

The Company encourages all of its directors to attend the Annual Meeting of Stockholders. The Company generally holds a board meeting coincident with the Annual Meeting to minimize director travel obligations and facilitate their attendance at the Annual Meeting.

Director Independence

Nasdaq Marketplace Rules require that a majority of the Board be independent. No director qualifies as independent unless the Board determines that the director has no direct or indirect relationship with the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In assessing the independence of its members, the Board examined the commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships of each member. The Board's inquiry extended to both direct and indirect relationships with the Company. Based upon both detailed written submissions by its members and discussions regarding the facts and circumstances pertaining to each member, considered in the context of applicable Nasdaq Marketplace Rules, the Board has determined that all of the directors standing for reelection are independent other than Mr. Schaeffer.

Audit Committee

The Audit Committee, established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), consists of Messrs. Liebhaber (Chairman), Ferguson, and Bath, each of whom is independent as the term "independence" is defined in the applicable listing standards of Nasdaq and Rule 10A-3 under the Exchange Act. The Board has determined that each of Messrs. Liebhaber, Ferguson and Bath qualifies as a financial expert, as that term is defined in the Exchange Act. The responsibilities of this committee include:

the appointment, compensation, retention and oversight of our independent registered public accountants;

reviewing with the independent registered public accountants the plans and results of the audit engagement;

pre-approving professional services provided by the independent registered public accountants;

reviewing our critical accounting policies, our Annual and Quarterly reports on Forms 10-K and 10-Q, and our earnings releases;

reviewing the independence of the independent registered public accountants; and

reviewing the adequacy of our internal accounting controls and overseeing our ethics program.

The Audit Committee met six (6) times during 2008 and did not act by unanimous written consent. The charter of the Audit Committee may be found as *Appendix A* to the Company's proxy statement filed on April 28, 2006 for the Annual Meeting held on June 7, 2006, a copy of which is available at www.sec.gov under the Company's filings with the SEC or at www.cogentco.com under the tab Investor Relations, under the tab Corporate Governance.

Mr. Ferguson (who has decided to not be nominated for reelection to the Board of Directors) will be replaced by the Board of Directors at its meeting following the annual meeting of the stockholders.

Audit Committee Report

To the Board of Directors:

We have reviewed and discussed with management the Company's audited consolidated financial statements as of and for the year ended December 31, 2008.

We have discussed with the independent registered public accountants, Ernst & Young LLP, the matters required to be discussed with us by the American Institute of Certified Public Accountants, the Securities and Exchange Commission, the Nasdaq Stock Market and the Public Company Accounting Oversight Board, including those required by the Statement on Auditing Standards No. 61, as amended.

We have received and reviewed the letter from Ernst & Young LLP required by the Public Company Accounting Oversight Board, and have discussed with Ernst & Young LLP their independence, including the written disclosures and letter required by Rule 3526 of the Public Company Accounting Oversight Board.

Based on the reviews and discussions referred to above, we recommended to the Board of Directors that the audited consolidated financial statements referred to above be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2008 for filing with the Securities and Exchange Commission. The Board of Directors caused the Form 10-K to be so filed.

Audit Committee:

Richard Liebhaber
Lewis Ferguson
D. Blake Bath

Compensation Committee

The Compensation Committee consists of Messrs. Bath, Margalit and Weingarten each of whom is independent as the term "independence" is defined in the applicable listing standards of Nasdaq. Mr. Bath is chairman of the committee. This committee is responsible for determining compensation for our executive officers and other employees, and administering the compensation programs. In 2008 the functions of the Compensation Committee were undertaken by the full board during closed executive session meetings held in conjunction with regularly scheduled in-person meetings of the board and in a duly called telephonic meeting held in December 2008 attended by all members of the Board of Directors. Salary and equity compensation awards for all of the executive officers and key employees of the Company listed in this proxy statement were considered during these meetings and Mr. Schaeffer was absent from any discussions concerning his compensation.

EXECUTIVE OFFICERS AND KEY EMPLOYEES

Set forth below is certain information concerning the executive officers of the Company. Biographical information on Mr. Schaeffer is included under "Proposal Election of Directors."

EXECUTIVE OFFICERS

R. Reed Harrison III, age 60, joined us in July of 2004 and serves as President and Chief Operating Officer. Prior to joining us, Mr. Harrison served as Senior Vice President Worldwide Network Engineering and Operations for AT&T, where he held a variety of senior management positions beginning in 1996. During the twelve years prior to that time, Mr. Harrison served in senior management positions at AT&T Network Systems and Bell Laboratories including President of the GTE Global Business Unit.

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Thaddeus G. Weed, age 48, joined us in February 2000 and served as Vice President and Controller until May 2004 when he became our Chief Financial Officer and Treasurer. From 1997 to 1999, Mr. Weed served as Senior Vice President of Finance and Treasurer at Transaction Network Services, Inc. where Mr. Weed undertook a broad range of financial management responsibilities. From 1987 to 1997, Mr. Weed was employed at Arthur Andersen LLP where he served as Senior Audit Manager.

Robert N. Beury, Jr., age 55, joined us in September 2000 and serves as Chief Legal Officer (Vice President and General Counsel) and Assistant Secretary. Prior to joining us, Mr. Beury served as Deputy General Counsel of Iridium LLC, a mobile satellite service provider, from 1994 to 2000. From 1987 to 1994 Mr. Beury was General Counsel of Virginia's Center for Innovative Technology, a non-profit corporation set up to develop the high tech industry in Virginia.

R. Brad Kummer, age 60, joined us in February 2000 and serves as Vice President of Optical Transport Engineering and Chief Technology Officer. Mr. Kummer spent the 25 years prior to joining us at Lucent Technologies (formerly Bell Laboratories), where he served in a variety of research and development and business development roles relating to optical fibers and systems. In his most recent work at Lucent, he was responsible for optical fiber systems engineering for long haul and metropolitan dense wavelength division multiplexing systems.

Timothy G. O'Neill, age 53, joined us in January 2001 and serves as the Vice President of Field Engineering, Construction and Network Operations. He is responsible for network operation, construction and maintenance. From 1999 to 2001, Mr. O'Neill was employed at @Link Networks, Inc. where he served as Chief Network Officer. While at @Link Networks, Inc., Mr. O'Neill was responsible for engineering, implementing and operating a network for internet access and layer 2 services.

Mark A. Schleifer, age 40, joined us in October 2000 and serves as Vice President of IP Engineering. From 1994 to 2000, Mr. Schleifer served as Senior Director, Network Engineering at DIGEX/Intermedia, Incorporated, a provider of high-end managed Web and application hosting services. At DIGEX/Intermedia, Mr. Schleifer managed the Network Engineering group, Capacity Planning group, and Research and Development group. He was responsible for all technical aspects of initiating customer service, network troubleshooting, field installations, and new equipment testing for the leased line business. Mr. Schleifer also coordinated peering and backbone circuit deployment to maintain network throughput and availability.

Jeffrey Karnes, age 37, joined us in May of 2004 and serves as Vice President of Global Sales and Chief Revenue Officer. Prior to joining us, Mr. Karnes served Vice President of Regional Sales at UUNet division of MCI Communications, where he had served in a number of positions in the sales organization since joining UUNet in 1995.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Committee of the Board of Directors is responsible for determining compensation changes for senior officers and employees in general. The Chief Executive Officer participates in the decision making by making recommendations to the committee. After informal discussion and amendment among the committee members and the CEO, recommendations for compensation changes are voted upon by the committee and the Board of Directors. The compensation changes take the form of specific amounts for the CEO and other executive officers and general guidelines for use by the CEO in determining compensation for other employees. Compensation changes are developed based upon the understanding of the CEO and the committee of the compensation of officers and employees in similar companies and the performance of the individual

officers. Neither the CEO nor the committee has retained any third party consultants or engaged in any formal comparison of compensation at the Company to compensation at other companies.

The method of compensation decision making actually employed by the Company does not lend itself to extensive analytical and quantitative disclosure. Most of the analysis that goes into compensation determinations is simply the subjective business judgment of the Company's CEO and the Board of Directors. Cogent is a small company, with approximately 500 employees, half of whom are sales people. Its salaries and bonuses are modest by the standards of public companies. The CEO has a salary of \$313,650 and cash bonuses to senior management have rarely exceeded 10% of salary. Stock and option awards to senior management are closer to the levels of other companies but generally are, the Company believes, at lower levels than other, similar telecommunications and high tech companies. In sum, the Company has a simple and modest compensation structure. Accordingly, the compensation decisions do not involve extensive analysis, but rather are based on the judgment of the Company's board of directors and its CEO, based on their experience, described below.

Each member of the Compensation Committee has extensive personal experience with the determination of executive compensation. Blake Bath, the chairman of the committee, was an equity research analyst for 14 years and was involved with dozens of early stage telecommunication and internet companies that subsequently became public companies. As such, he reviewed the compensation of numerous senior executives, including the compensation of the founding CEOs of these companies. Erel Margalit is the founder of one of the venture capital funds that provided the company with its initial investment and has managed venture capital funds for 15 years. During this time period, he has helped foster the growth of more than 60 companies in the US, Israel and Europe and has participated in the determination of CEO and executive compensation in dozens of cases. He was involved in the initial funding of the company when the CEO's compensation was initially determined. As an investor risking the money entrusted to him through his venture capital funds he has had the incentive and profit motive to effectively manage CEO compensation. Timothy Weingarten has been a venture capitalist for 8 years. The funds with which he is affiliated were some of the initial investors in the company when it was founded. He has served on the board of directors of seven companies in which the funds with which he is affiliated have invested on which boards he has been a participant in setting compensation for CEOs and other executives. The funds with which he is affiliated have invested in close to 45 companies. The fund managers have regularly discussed and debated executive compensation in the context of the decision of the funds to invest in these companies.

With their combined experience as a starting point, the members of the Compensation Committee have considered the proposed compensation of the named executive officers. They have shared their views, based on their experience, with one another and come to a consensus decision on the proper level of compensation. The ultimate decision is a synthesis of each member's experience and views on proper compensation levels.

The combined experience of the members of the committee, having seen hundreds of executives in start-up and other companies has given them a sense of the compensation that executives at various levels expect and the amount that must be paid to maintain a motivated executive who will not seek other employment. The Compensation Committee relies on this experience in determining that the awards granted to management are sufficient to retain the named executive officers and are comparable to compensation received by management at similar companies.

The compensation philosophy of the CEO and the committee has been to pay reasonable salaries in light of the perceived market for the skills of each individual hired, to avoid offering any perquisites (such as automobiles, club dues, etc.), to pay small cash bonuses based on performance as measured by cash flow, EBITDA, and revenue and subjective assessments of the company's overall performance, and to give every employee an opportunity to benefit from share price increases through grants of options and restricted stock. (EBITDA is the acronym for earnings before interest, taxes, depreciation, and

amortization and is calculated by us in the manner reflected in our Form S-1 (File No. 333-122821) filed February 14, 2005, as amended.) The Company believes that this philosophy has been successful in recruiting and retaining its management team as evidenced by the Company's success and the low turnover of the management team.

The compensation of the Chief Executive Officer was originally determined in negotiations with the managers of the venture capital funds that initially invested in the Company in February 2000. At the same time he entered into an employment agreement that governs various aspects of his employment. His employment agreement is described below. The compensation of subsequently hired executive officers was determined in negotiations between the CEO and such executive officers and in consultation with the Board of Directors and the Compensation Committee and is governed by the terms of employment agreements. Subsequent adjustments to the compensation of executive officers have been made based upon the recommendation of the CEO after consultation with the Compensation Committee in the manner described above. Any change to any aspect of the compensation of the CEO is approved by the board of directors, excluding the CEO, upon recommendation from the Compensation Committee.

The Company's current executive compensation program is composed primarily of salary paid in cash, bonuses paid in cash, stock options and restricted stock. All Company executive officers also participate in the Company's benefit programs, including the Company's 401(k) plan and its medical, dental and other benefits plans on the same basis as other employees. Changes in all elements of compensation for all executive officers, including the CEO, have generally arisen from informal discussions among the CEO and the directors followed by formal recommendations by the CEO to the Compensation Committee and the board of directors.

The Company's compensation components in 2008 were the same as in 2007 salary, cash bonus, and restricted stock. Salaries have not been adjusted as a result of analyses of the amounts paid by other companies or as a result of a strategy to motivate the executive. The changes over the years have been made on the basis of changes in responsibility and compensation for inflation. Cash bonuses have not been a significant part of compensation. Restricted stock and options (in prior years) have been used by the Compensation Committee to motivate the executives and link their interests to those of the stockholders. The elements are each viewed independently: salary increases to partially offset inflation; bonuses as a fairly immaterial element awarded primarily based on the CEO's and the Compensation Committee's subjective analysis of an employee's contributions and the Company's performance; and equity awards to motivate employees and align their interest with stockholders.

Salary

The Compensation Committee periodically reviews the compensation of the Company's Chief Executive Officer and each executive officer and, based on recommendations from the CEO, determines the compensation for each executive. In recent years the Company has given raises to all employees to partially compensate for general inflation. Specific executive officers have been given additional raises based on the officer's increased responsibilities as the Company has grown. The CEO and the committee members have determined the amount of these raises based on their experience as managers and directors without reference to studies or consultants. Consistent with its policy the Compensation Committee and the Board of Directors in 2008 granted senior officers the same 2.5% salary increase granted to other employees. Mr. Weed, the Company's Chief Financial Officer, received an additional increase reflecting the committee's and the Board of Directors' view of his increased responsibilities as public companies have come under increasing scrutiny and regulation.

Bonus

The Company's executive officers and employees have received cash bonuses based on the performance measured by revenue, cash flow, EBITDA and the subjective judgment of the Compensation Committee and the Board. The Compensation Committee and the board of directors have made specific awards to the CEO, specified the maximum awards for other executive officers, and determined the of bonus pools for awards to non-executive employees. Subject to these limitations the Board has authorized the CEO to make bonus grants to executive officers and employees (other than the CEO). The CEO has also authorized specific cash bonuses to certain employees and officers for performance based on a qualitative assessment of performance. In all cases the Compensation Committee and the board have reviewed and approved any bonus for the CEO. The cash bonuses paid in 2007 were much lower than those paid in 2006 because in 2006 the Company met a long term goal attaining positive operating cash flow that had been established as a target.

The Compensation Committee and the Board of Directors approved bonuses paid in 2008 of \$6,000 for Mr. Weed, Mr. Karnes, and Mr. Beury. The guidelines authorized by the Compensation Committee for other employees were: up to \$3,000 for other members of senior management and up to \$1,500 for other employees. In addition, the CEO was authorized to distribute a total of up to \$100,000 to be shared by employees selected by him.

The Company's Chief Revenue Officer and Vice President of Global Sales, Jeff Karnes, is paid commissions once a quarter, based on the achievement of the entire sales organization (North America and Europe) against a revenue quota for that quarter. The revenue quota for the entire sales organization is the sum of quotas assigned to each sales office. Within each sales office each sales person has a revenue quota assigned to him or her. The quota is an amount of revenue from new customers that the sales person is supposed to deliver. Salespersons are paid a commission based on the percentage of quota each achieves. Revenue, for the purpose of the quota and commission calculation, is the expected revenue from customers that have had the company's service (Internet access and related services) installed during the relevant period. Revenue includes monthly recurring revenue and a portion of non-recurring revenue, such as installation charges. Mr. Karnes revenue quota is based on the sum of the quotas for all sales offices. In 2008 his average revenue quota was approximately \$2.3 million per quarter of new, incremental revenue from installed services. If the revenue generated by the entire sales organization for the quarter is 100% of Mr. Karnes revenue quota, he will receive 100% of \$15,000. If the percentage is more or less he receives a proportionally lesser or greater amount. For example if revenue were at 50% of his quota for the quarter, then he would be paid 50% of \$15,000, or \$7,500. If revenue were 200% of his quota he would receive \$30,000.

Options and Restricted Stock

The Company has made awards of options and restricted stock to employees to align their interests with the Company's stockholders. Every employee has received options. Awards are not timed to material company events. New employees receive grants on the first day of the month following the month in which they are hired. The strike price of the option awarded to a new employee is the price of Company's common stock on the grant date. Subsequent awards are based on performance and tenure.

Vesting of options and restricted stock is based on continued employment with acceleration of vesting upon a change of control or, for some awards, if the executive is discharged other than for cause or resigns for good cause. Awards to senior officers are determined by the Compensation Committee and/or the full Board of Directors as appropriate, taking into account such factors as the nature of the participant's responsibilities and the business priorities of the Company. Awards to employees other than senior officers are made by the CEO pursuant to general guidelines established by the Compensation Committee and the Board. The restricted stock granted in 2007 and 2008 to our

executive officers fully vests upon a change of control, even if the officer is not discharged. A change of control is defined as a transaction after which the current stockholders of the Company have less than 50% of the stock of the surviving entity, e.g. a merger, sale of substantially all of the assets of the Company, or similar transaction. Permitting the officers to become fully vested upon a change of control and allowing this to occur without the executive being discharged provides, in the view of the Board of Directors, an incentive for the executives to pursue a transaction that could be beneficial for the stockholders even though the change of control would create uncertainty with respect to the future of each officer. Grants of restricted stock and options (other than those that are made to each new employee) have generally been made once a year by the Board of Directors.

The intent of the Compensation Committee has been to use the awards of restricted stock and options to align the interests of management with the interests of the stockholders. The size of these awards was based primarily on the Compensation Committee's subjective experience with awards to CEOs that are the founder of the company and to other executives hired to build a start-up company. The Compensation Committee's intent has been to make awards that are sufficient to retain the executives and that are comparable to the compensation received by management in other, similar companies. The awards of restricted stock made by the Compensation Committee and the Board of Directors continue this practice. The stock vests over a period of years to provide an incentive for the executives to stay with the company. As has been the practice of the Board of Directors since the executives were first hired when the company was funded by venture capitalists the stock grants provide for acceleration on change of control and discharge without cause.

Mr. Schaeffer's stock award in 2008 was, as it has been in the past, substantially greater than the awards given to other executive officers. He was the founder of the Company and has been its CEO since inception. Mr. Schaeffer's significant award of 360,000 shares reflects his central role in the success of the company. The award (made in January 2008) began vesting in 2009 at a rate of 10,000 shares per month over a period of 36 months. The Compensation Committee regards him as critical to the future prospects of the Company. Not only was he the founder of the Company but he has been primarily responsible for hiring every member of management, has led all of the Company's capital raising activities, and has actively managed the Company for its entire history. No detailed analysis went into the decision of the Compensation Committee on the award he received in 2008 or his previous awards. Instead, the size of the award was based primarily on the business experience of the Compensation Committee members with respect to the size of the ownership position of a founder and CEO.

Tax Deductibility of Compensation

Section 162(m) of the Code limits the Company's federal income tax deduction for certain executive compensation in excess of \$1,000,000 paid to the Chief Executive Officer and the four other most highly compensated executive officers. The \$1,000,000 deduction limit does not apply, however, to "performance based compensation" as that term is defined in Section 162(m)(4)(C) of the Code and the regulations promulgated there under. The company's award plan is structured so that awards granted under that plan may, subject to certain conditions, qualify as performance based compensation under Section 162(m) of the Code. The Compensation Committee recognizes the possibility that if the amount of the base salary and other compensation of a named executive officer exceeds \$1,000,000, it may not be fully deductible for federal income tax purposes. The Compensation Committee will make a determination at any such time whether to authorize the payment of such amounts without regard to deductibility or whether the terms of such payment should be modified as to preserve any deduction otherwise available.

The following table sets forth the cash and non-cash compensation paid or incurred on our behalf to our Chief Executive Officer, our principal financial officer, and each of our three other most highly

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compensated executive officers, or our named executive officers, whose annual compensation equaled or exceeded \$100,000 for the year three years ended December 31, 2008.

Summary Compensation Table

Name	Principal Position	Year	Salary	Bonus	Stock Awards(a)	Option Awards(a)	TOTAL
Dave Schaeffer	CEO	2006	\$ 300,000	\$ 20,833	\$ 6,428,804	\$ 1,571,104	\$ 8,320,741
		2007	\$ 306,000	\$	\$ 5,147,448	\$	\$ 5,453,448
		2008	\$ 313,650	\$	\$ 9,403,014	\$	\$ 9,716,664
Thaddeus Weed	CFO and Treasurer	2006	\$ 213,000	\$ 54,817	\$ 112,468	\$ 36,892	\$ 417,177
		2007	\$ 217,260	\$ 2,130	\$ 340,863	\$ 167,194	\$ 727,447
		2008	\$ 237,692	\$ 6,000	\$ 588,558	\$ 216,912	\$ 1,049,162
R. Reed Harrison III	President and COO	2006	\$ 300,000	\$ 20,917	\$ 10,322	\$ 454,363	\$ 785,602
		2007	\$ 306,000	\$ 3,000	\$ 211,020	\$ 454,363	\$ 974,383
		2008	\$ 313,650	\$ 6,000	\$ 295,886	\$ 227,804	\$ 843,340
Jeffrey Karnes(b)	Chief Revenue Officer	2006	\$ 225,000	\$ 54,474	\$ 37,886	\$ 11,639	\$ 328,999
		2007	\$ 229,500	\$ 58,915	\$ 317,985	\$ 11,639	\$ 617,949
		2008	\$ 235,238	\$ 58,055	\$ 628,186	\$ 11,671	\$ 933,150
Robert Beury	Chief Legal Officer	2006	\$ 225,000	\$ 25,667	\$ 123,841	\$ 36,892	\$ 411,400
		2007	\$ 229,500	\$ 2,250	\$ 317,985	\$ 36,892	\$ 586,537
		2008	\$ 235,238	\$ 6,000	\$ 628,186	\$ 22,257	\$ 891,681

- (a) Represents the amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with FAS 123(R), disregarding the estimated impact of forfeitures. Refer to "Equity Based Compensation" in Notes 1 and 8 of our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended 2008 for the relevant assumptions used to determine the amounts shown.
- (b) Mr. Karnes' bonus amounts include commission compensation.

In January 2008 the executive officers received a 2.5% salary increase which was the same percentage increase that was granted to all employees. This was intended simply to compensate (partially) for inflation. Mr. Weed received an additional salary increase of \$15,000.

On January 15, 2009, Thaddeus Weed and Robert Beury received a cash bonus of \$10,000 and \$7,500, respectively. This amount is not included in the table above as it was not earned or received in 2008

Option Grants and Stock Awards in Fiscal 2008

The following table shows information regarding individual option grants and stock awards to our named executive officers during the fiscal year ended December 31, 2008:

Name	Principal Position	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Stock and Option Awards(c)
Dave Schaeffer	CEO	1-Jan-08	360,000	\$ 8,535,600(a)
Thaddeus Weed	CFO and Treasurer	1-Jan-08	20,000	\$ 474,200(b)
Reed Harrison	President and COO			
Jeffrey Karnes		1-Jan-08	20,000	\$ 474,200(b)

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	Chief Revenue Officer				
Robert Beury	Chief Legal Officer	1-Jan-08	20,000	\$	474,200(b)

- (a) Vests at a rate of 10,000 shares per month beginning on January 1, 2009.

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(b) Vested 25% on January 1, 2009. An additional 6.25% of the award vests every three months thereafter until fully vested in January 2012.

(c) Calculated using the market price of the stock on the grant date for stock awards. The NASDAQ market was not open on the grant date. Therefore, the price used is \$23.71, which was the closing price on December 31, 2007, the last trading day prior to the grant date.

Outstanding Equity Awards at Fiscal Year End

The following table shows the information regarding the options and stock held by our named executive officers on December 31, 2008.

Name	Principal Position	Notes	Option Awards				Stock Awards	
			Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Yet Vested	Market Value of Shares or Units of Stock That Have Not Yet Vested(i)
Dave Schaeffer	CEO	(a)	576,930		\$ 0.00	9/8/2014	500,000	\$ 3,265,000
		(b)					360,000	\$ 2,350,800
Thaddeus Weed	CFO and Treasurer	(c)	1,250	1,875	\$ 4.88	10/26/2015	20,000	\$ 130,600
		(d)	22,914	27,086	\$ 25.46	4/30/2017	10,834	\$ 70,746
		(e)					20,000	\$ 130,600
		(g)					20,000	\$ 130,600
R. Reed Harrison III	President and COO	(f)	143,119		\$ 6.00	7/1/2014	10,000	\$ 65,300
		(g)					20,000	\$ 130,600
Jeffrey Karnes	Chief Revenue Officer	(c)	8,125	1,875	\$ 4.88	10/26/2015	10,000	\$ 65,300
		(g)					20,000	\$ 130,600
		(h)					18,750	\$ 122,438
		(e)					20,000	\$ 130,600
Robert Beury	Chief Legal Officer	(c)	625	1,875	\$ 4.88	10/26/2015	10,000	\$ 65,300
		(g)					20,000	\$ 130,600
		(h)					18,750	\$ 122,438
		(e)					20,000	\$ 130,600

- (a) options vested 100% in November 2006; shares vest 100% on April 30, 2009
- (b) shares vest monthly at 10,000 shares per month from January 1, 2009 to January 1, 2011
- (c) options vested 25% after one year and in equal monthly installments for 36 months thereafter; shares vest 100% after 36 months (in October 2009)
- (d) options and shares vest 25% on February 8, 2008, then in equal monthly installments for 36 months thereafter
- (e) shares vest 25% on January 1, 2009 then 6.25% every three months for 36 months thereafter
- (f)

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options vested in 48 equal monthly installments; shares vest 100% after 36 months (in October 2009)

(g)

shares vest 100% after 24 months on April 30, 2009

(h)

shares vest 25% on June 20, 2008 then 6.25% every three months for 36 months thereafter

(i)

valued using market price of our common stock on December 31, 2008 \$6.53

Option Exercises and Stock Vested Value

The following table shows information regarding option exercises by our named executive officers during the fiscal year ended December 31, 2008, and the value of stock awards at the time of vesting for stock awards that vested during the year.

Name	Principal Position	Option Awards		Stock Awards	
		Number of Shares Acquired on Exercise	Value Realized On Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting(a)
Dave Schaeffer	CEO		\$	120,000	\$ 1,711,000
Thaddeus Weed	CFO and Treasurer	2,934	\$ 48,615	9,166	\$ 155,183
R. Reed Harrison III	President and COO		\$		\$
Jeffrey Karnes	Chief Revenue Officer		\$	13,654	\$ 197,388
Robert Beury	Chief Legal Officer	9,629	\$ 51,612	11,250	\$ 148,819

(a)

Valued using the market price of our common stock on the date the stock vested multiplied by the number of shares that vested.

Employment Agreements and Other Potential Post-Employment Payments

Each of Messrs. Schaeffer, Weed, Beury, Karnes, and Harrison entered into an employment agreement with us. Among other things these agreements and the terms of the grants of options and restricted stock provide for certain benefits upon change of control, termination of employment without cause and resignation for good reason. The levels and triggers are set based on the experience of the CEO, the Board of Directors, and the Compensation Committee. Those individuals believe that the levels of severance payments, 6-12 months of salary, are less than typically made available to executives. Lower amounts would in their opinion and experience be well outside the norm for executives leading to strains within the executive leadership of the company. The triggers for accelerated vesting are similarly viewed. The board is conscious of the potential for accelerated vesting to distort decision making but it is also conscious of the intense feeling by executives that stock and options, which represent a very significant part of the compensation of an executive, should not be taken away because the executive is discharged without cause or becomes, in a change of control, subject to new ownership and management that may not be at all what the executive wanted, even though it may benefit the stockholders. Over the years executives have succeeded in obtaining the benefit of accelerated vesting in such situations and the Board of Directors considers it a reasonable component of compensation that, if absent, would hinder recruitment and retention. The agreements are as follows:

Dave Schaeffer Employment Agreement. Dave Schaeffer has an employment agreement that provides for his services as Chief Executive Officer. He also receives all of our standard employee benefits and a life insurance policy with a death benefit of \$2.0 million. If he is discharged without cause or resigns for "good reason", 100% of his unvested restricted stock will vest and he is entitled to a lump sum amount equal to his annual salary at the time and continuation of his benefits for one year. If he is subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, he is entitled to additional payment to reimburse him for all taxes, up to a maximum additional payment of 20% of the amount subject to tax. In the event of a change of control or if he is discharged without cause or resigns for "good reason", 100% of his then unvested restricted stock and options will vest immediately. The value on December 31, 2008 of the unvested restricted stock and options that could have vested pursuant to these provisions was \$5,615,800. Had his employment been terminated without cause or had he resigned for "good reason" he would have received a payment of \$313,650 (equal to one year's salary). If the entire amount of these payments was subject to Section 4999 of the Internal Revenue Code he could receive up to an additional \$1,185,890. "Good reason" for resignation includes removal from his position as CEO or failure to elect him as chairman of the Board of Directors.

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Thaddeus Weed Employment Agreement. Thaddeus Weed has an employment agreement under which he serves as Chief Financial Officer and Treasurer. In the event that his employment with us is terminated without cause or he resigns for good reason, the agreement entitles him to twelve months of salary and continuation of benefits for twelve months. Had this occurred on December 31, 2008 he would have received \$237,692 (12 months salary). He is also entitled to accelerated vesting of his options and restricted stock. The value on December 31, 2008 of the unvested stock and options for which vesting would accelerate was \$270,393. In the event of a change of control the vesting of certain of his options accelerates so that he will be 100% vested in not less than 12 months following the change of control and he becomes fully vested in his restricted stock and other options. If this had occurred on December 31, 2008 the value of the restricted stock and options that would have vested was \$452,751. In the event of a change of control resulting in his termination without cause or resignation for good reason, 100% of his then restricted stock and options will vest immediately. The value on December 31, 2008 of the unvested stock and options that would have vested was \$455,845 (which includes the \$452,751 described in the previous sentence) In addition, he would receive as a lump sum an amount equal to 12 months of salary (\$237,692).

R. Reed Harrison III Employment Agreement. Reed Harrison's employment agreement entitles him to six months of salary and six months of benefits in the event that his employment with us is terminated without cause or he resigns for good reason. Had this occurred on December 31, 2008 he would have received \$156,825 (6 months salary). If this occurred in conjunction with a change of control the payment would be a lump sum. He is also entitled to accelerated vesting of restricted stock. The value on December 31, 2008 of the unvested stock for which vesting would accelerate was \$158,026. In the event of a change of control his restricted stock will fully vest. If this had occurred on December 31, 2008 the value of the restricted stock that would have vested was \$195,900.

Robert N. Beury, Jr. Employment Agreement. Robert Beury's employment agreement entitles him to twelve months of salary and twelve months of benefits in the event that his employment with us is terminated without cause or he resigns for good reason. Had this occurred on December 31, 2008 he would have received \$235,238 (twelve months salary). If this occurred in conjunction with a change of control the payment would be a lump sum. He is also entitled to accelerated vesting of certain options and restricted stock. The value on December 31, 2008 of the unvested stock and options for which vesting would accelerate was \$161,120. In the event of a change of control the vesting of his restricted stock accelerates so that he will be 100% vested. Had a change of control occurred on December 31, 2008 the value of the restricted stock that would have vested was \$448,938. In the event of a change of control resulting in his termination without cause or resignation for good reason, 100% of his then restricted stock and options will vest immediately. The value on December 31, 2008 of the unvested stock and options that would have vested was \$452,031 (which includes the \$448,938 described previously). In addition, he would receive as a lump sum an amount equal to twelve months salary (\$235,238).

Jeffrey Karnes Employment Agreement. Jeffrey Karnes's employment agreement provides that in the event his employment with us is terminated without cause or he resigns for good reason he will receive three months salary and continuation of benefits for six months. Had this occurred on December 31, 2008 he would have received \$58,809 (three months salary). He would also continue vesting for three months in his restricted stock and options. The value on December 31, 2008 of the unvested stock and options for which vesting would accelerate was \$159,047. In the event of a change of control the vesting of certain of his options and restricted stock accelerates. In addition certain of his shares of restricted stock will vest fully. Had a change of control occurred on December 31, 2008 the value of the restricted stock and options that would have vested was \$448,938. In the event of a change in control resulting in his termination without cause or resignation for good reason, 100% of his then restricted stock and options will vest immediately. The value on December 31, 2008 of the unvested stock and options that would have vested was \$452,031 (which includes the \$448,938 described in the previous sentence). In addition, he would receive as a lump sum an amount equal to three months salary (\$58,809).

Director Compensation**Director Compensation**

Based on board action approved on October 26, 2005 our non-management Board members were compensated in 2008 as follows for their services:

\$1,000 cash per in-person board meeting for each non-management director, and

7,500 shares of (fully vested) common stock per year to each non-management director, adjusted for partial year service.

The following table shows the amounts earned or paid in 2008. Included in the table is an award of shares of stock received on January 1, 2008 and an award of shares of stock on December 19, 2008. In the past this second award would have been made 13 days later, on January 1, 2009, and would have appeared in next year's table.

Name	Fees Earned		Total
	Paid in Cash	Stock Awards(a)	
Steven Brooks	\$ 2,000	\$ 221,700	\$ 223,700
Erel Margalit	\$ 1,000	\$ 221,700	\$ 222,700
Timothy Weingarten	\$ 4,000	\$ 221,700	\$ 225,700
Richard Liebhaber	\$ 4,000	\$ 221,700	\$ 225,700
D. Blake Bath	\$ 4,000	\$ 221,700	\$ 225,700
Lewis H. Ferguson, III	\$ 4,000	\$ 179,307	\$ 183,307
Edward Glassmeyer(b)	\$	\$ 58,469	\$ 58,469
Kenneth Peterson(b)	\$	\$ 58,469	\$ 58,469
Jean-Jaques Bertrand(b)	\$	\$ 58,469	\$ 58,469

(a) Valued using the closing market price of our stock on the grant dates \$23.71 on December 31, 2007 (the last trading day prior to the grant date of January 1, 2008) and \$5.85 on December 19, 2008.

(b) Three directors who served as members of the Board of Directors during the first quarter of 2007, Messrs. Glassmeyer, Peterson and Bertrand, were entitled to a pro-rated portion of the annual stock grant. The stock was issued on January 1, 2008.

The compensation of David Schaeffer, who is a director and our Chief Executive Officer is disclosed in the Summary Compensation Table, above, and is therefore not shown in the Director Compensation table. Each director, other than Mr. Schaeffer, received on January 1, 2008 an award of common stock. The directors each received 7,500 (fully vested) shares except for Mr. Ferguson (who was elected to the Board in March 2007), who received 5,712 shares. On December 19, 2008 each director received 7,500 (fully vested) shares.

On December 17, 2008 the Board of Directors changed the basis of its compensation from an award of stock to a cash payment for service on the Board of Directors. The cash payment for a year of service on the Board of Directors is \$125,000. In addition, each director receives \$1,000 for each board meeting attended in person. On January 2, 2009 each director received a cash payment of \$75,000 and immediately used the entire payment to purchase common stock of the Company. On January 1, April 1, July 1, and October 1 of 2009 each director who continues to serve will receive an additional cash payment of \$12,500.

Equity Plan Information

2004 Incentive Award Plan. In 2004, we adopted our 2004 Incentive Award Plan. The 2004 Award Plan is intended to enhance and supplement the 2003 Award Plan (under which awards are no longer

made) by broadening the types of awards that may be granted to employees and consultants and by providing for grants to directors. In addition to awards of restricted shares of common stock, the 2004 Award Plan provides us with the ability to award other equity-based incentive compensation, such as options to purchase shares of our common stock, stock appreciation rights, dividend equivalent rights, performance awards, restricted stock units, deferred stock and stock payments to employees, consultants and directors.

The principal purpose for the adoption of the 2004 Award Plan was to promote the success of our business and enhance our value by linking the personal interests of employees, consultants and directors to our success and by providing these individuals with an incentive for outstanding performance. We believe that the 2004 Plan also gives us the flexibility to offer a variety of types of compensation and to remain competitive in recruiting and retaining qualified key personnel.

As of January 31, 2009 a total of 2,714,390 shares were subject to outstanding stock options and restricted stock held by approximately 550 participants under the award plans. On January 30, 2009 (the last trading day prior to January 31), the closing price of our common stock on the NASDAQ was \$6.65 per share.

We currently make all awards under our 2004 Award Plan, each of which has been approved by our stockholders. The following table provides information as of January 31, 2009 about outstanding options and shares reserved for future issuance under the award plans:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column)
Equity compensation plans approved by security holders	2,714,390	\$ 5.61	207,417
Equity compensation plans not approved by security holders			
Total	2,714,390	\$ 5.61	207,417

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee of the Board of Directors is responsible for determining compensation for the Company's executive officers and other employees, and administering the 2003 Incentive Award Plan, the 2004 Incentive Award Plan, the Company's management bonus plan and other compensation programs. The committee reviewed and discussed the Compensation, Discussion and Analysis with management and based on that review and discussion, recommended its inclusion in this proxy statement.

Compensation Committee:

D. Blake Bath
Erel Margalit
Timothy Weingarten

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 2008:

Messrs. Bath , Margalit, and Weingarten served on the Compensation Committee;

None of the members of the Compensation Committee was an officer (or former officer) or employee of the Company or any of its subsidiaries;

None of the members of the Compensation Committee entered into (or agreed to enter into) any transaction or series of transactions with the Company or any of its subsidiaries in which the amount involved exceeds \$120,000;

None of the Company's executive officers served on the compensation committee (or another board committee with similar functions) of any entity where one of that entity's executive officers served on the Company's compensation committee;

None of the Company's executive officers was a director of another entity where one of that entity's executive officers served on the Company's compensation committee; and

None of the Company's executive officers served on the compensation committee (or another board committee with similar functions) of another entity where one of that entity's executive officers served as a director on the Company's Board of Directors.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table provides summary information regarding beneficial ownership of our outstanding capital stock as of January 31, 2009, for:

each person or group who beneficially owns more than 5% of our capital stock on a fully diluted basis;

each of the executive officers named in the Summary Compensation Table;

each of our directors and nominees to become a director; and

all of our directors and executive officers as a group.

Beneficial ownership of shares is determined under the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power. Except as indicated by footnote, and subject to applicable community property laws, each person identified in the table possesses sole voting and investment power with respect to all shares of common stock held by them. The information has been compiled by the Company from reports filed with the SEC and other information available to the Company. Shares of common stock that will vest or are subject to options currently exercisable or exercisable within the period 60 days after January 31, 2009, are deemed outstanding for calculating the percentage of outstanding shares of the person holding these options, but are not deemed outstanding for calculating the percentage of any other person.

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Unless otherwise noted, the address for each director and executive officer is c/o Cogent Communications Group, Inc., 1015 31st Street, Washington, D.C. 20007. The shares of stock to which this table applies are shares of common stock. The Company has no other class of stock.

Name of Beneficial Owner	Amount Owned	Percent of Class
FMR LLC and affiliated entities (Fidelity Investments)(1) 82 Devonshire Street, Boston, MA 02109	4,948,211	11.16%
Chilton Investment Company, LLC 1266 East Main Street, 7 th Floor, Stamford, CT 06902(2)	5,053,321	11.40%
Morgan Stanley and affiliated entities(3) 1585 Broadway, New York, NY 10036	3,522,060	7.94%
T. Rowe Price and affiliated entities(4) 100 East Pratt Street, Baltimore, Maryland 21202	4,734,802	10.68%
Columbia Wanger Asset Management, L.P. and affiliated entities(5) 227 W. Moore Street, Suite 3000, Chicago, IL 60606	4,360,000	9.83%
Peninsula Capital Advisors, LLC and affiliated entities 404B East Main Street, Charlottesville, VA 22902(6)	4,000,000	9.02%
Norges Bank (Central Bank of Norway) Bankplassen 2, PO Box 1179 Sentrum, Oslo, Q8 0107, Norway(7)	2,252,407	5.08%
Directors and Officers:		
Dave Schaeffer(8)	1,792,444	4.04%
Erel Margalit	18,860	*
Timothy Weingarten	26,227	*
Steven Brooks	44,085	*
Richard Liebhaber	33,250	*
Blake Bath	26,825	*
Lewis Ferguson	16,112	*
R. Reed Harrison(9)	158,119	*
Thaddeus Weed(9)	49,450	*
Robert Beury(9)	33,875	*
Jeffrey Karnes(9)	35,304	*
Directors and executive officers as a group (14 persons)(10)	2,313,050	5.22%

*

Denotes less than 1% ownership.

(1)

Fidelity Management & Research Company ("Fidelity"), 82 Devonshire Street, Boston, Massachusetts 02109, a wholly-owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 4,948,211 shares of the Common Stock outstanding of Cogent Communications Group Inc as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940. The number of shares of Common Stock of Cogent Communications Group Inc owned by the investment companies at December 31, 2008 included 423,547 shares of Common Stock resulting from the assumed conversion of \$20,828,000 principal amount of COGENT COMM CV 1% 6/15/27 (20.3355 shares of Common Stock for each \$1,000 principal amount of debenture). The ownership of one investment company, Fidelity Small Cap Value Fund, amounted to 2,750,000 shares or 6.109% of the Common Stock outstanding. Fidelity Small Cap Value Fund has its principal business office at 82 Devonshire Street, Boston, Massachusetts 02109. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity, and

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the funds each has sole power to dispose of the shares owned by the Funds. Members of the family of Edward C. Johnson 3d, Chairman of FMR LLC, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d, Chairman of FMR LLC, has the sole power to vote or direct the voting of the shares owned directly by the Fidelity Funds, which power resides with the Funds' Boards of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the Funds' Boards of Trustees. The information herein regarding this stockholder is derived from such stockholder's Schedule 13G/A filed with the SEC on February 17, 2009.

- (2) Chilton Investment Company, LLC has sole voting and dispositive power over 5,053,321 shares of our common stock. The information herein regarding this stockholder is derived from such stockholder's Schedule 13G/A filed with the SEC on February 13, 2009.
- (3) The securities being reported upon by Morgan Stanley as a parent holding company are owned, or may be deemed to be beneficially owned, by Morgan Stanley Investment Management Inc., an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E) as amended. Morgan Stanley Investment Management Inc. is a wholly-owned subsidiary of Morgan Stanley. The securities are beneficially owned by certain operating units of Morgan Stanley and its subsidiaries and affiliates. Securities, if any, beneficially owned by any operating units of Morgan Stanley whose ownership of securities is disaggregated from that of the Morgan Stanley reporting units are not included. The information herein regarding this stockholder is derived from such stockholder's Schedule 13G/A filed with the SEC on February 17, 2009.
- (4) T. Rowe Price Associates, Inc. has dispositive power over 4,734,802 shares of common stock but has sole voting power over only 327,535 of such shares. The information herein regarding this stockholder is derived from such stockholder's Schedule 13G/A filed with the SEC on February 12, 2009.
- (5) Columbia Wanger Asset Management, L.P. reports sole voting and dispositive power over 4,360,000 shares of our common stock with a note that nearly all of the shares are held by Columbia Acorn Trust, a Massachusetts business trust that is advised by Columbia Wanger Asset Management, LP. The information herein regarding this stockholder is derived from such stockholder's Schedule 13G/A filed with the SEC on February 6, 2009.
- (6) Peninsula Capital Advisors, LLC and Peninsula Investment Partners, L.P., an affiliate entity within the control of Peninsula Capital Advisors, LLC, share voting and dispositive power over 4,000,000 shares of our common stock. The information herein regarding this stockholder is derived from such stockholder's Schedule 13G filed with the SEC on January 26, 2009.
- (7) Norges Bank (Central Bank of Norway), has sole voting power over 2,456,691 shares of our common stock, but has sole dispositive power over only 1,191,391 of such shares; it shares dispositive power over the remaining 1,265,300 such shares. The information herein regarding this stockholder is derived from such stockholder's Schedule 13G/A filed with the SEC on January 22, 2009.
- (8) Includes 865,514 shares of common stock, 858,764 of which are owned directly by Mr. Schaeffer and 6,750 shares of which are held by the Schaeffer Descendant's Trust. Mr. Schaeffer disclaims beneficial ownership of the shares held by the trust. Also includes fully vested options for 576,930

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shares of common stock, and 350,000 shares of restricted stock that may be voted but remain subject to certain vesting provisions.

- (9) Consists of vested common stock and options and common stock and options that will vest by March 31, 2009.
- (10) Consists of Dave Schaeffer, Erel Margalit, Timothy Weingarten, Steven Brooks, Richard T. Liebhaber, D. Blake Bath, Lewis Ferguson, R. Reed Harrison, Robert Beury, Jeffrey Karnes, Mark Schleifer, Thaddeus Weed, R. Brad Kummer, and Timothy O'Neill.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Employment Agreements

We have employment agreements with certain of our named executive officers as described in "Employment Agreements and Other Potential Post-Employment Payments."

Our Headquarters Lease

The Company's headquarters is located in an office building owned by a partnership (6715 Kenilworth Avenue Partnership). The two owners of the partnership are our Chief Executive Officer, Dave Schaeffer, who has a 51% interest in the partnership and his wife, Ruth Schaeffer, who has a 49% interest in the partnership. The Company paid \$0.6 million in 2008 in rent and related costs (including taxes and utilities) to this partnership under a lease that expires in August 2012. The dollar value of Mr. Schaeffer's interest in the lease payments in 2008 was \$0.3 million. The dollar value of Mrs. Schaeffer's interest in the lease payment in 2008 was \$0.3 million. If Mr. Schaeffer's interest is combined with that of his wife then the total dollar value of his interest in the lease payments in 2008 was \$0.6 million. We believe that this lease agreement is on terms at least as favorable to us as could have been obtained from an unaffiliated third party.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's officers and directors, and persons who own more than ten percent of a registered class of the Company's stock to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) reports they file. Based on its records and other information, the Company believes that all Section 16(a) filing requirements applicable to its directors and executive officers for 2008 were timely met.

RELATIONSHIP WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Audit Committee reappointed Ernst & Young LLP as the independent registered public accounting firm to audit our financial statements for the fiscal year beginning January 1, 2008. In making this appointment, the Audit Committee considered whether the audit and non-audit services Ernst & Young LLP provides are compatible with maintaining the independence of our outside auditors. The Audit Committee has adopted a policy that sets forth the manner in which the Audit Committee will review and approve all services to be provided by Ernst & Young LLP before the firm is retained. The policy requires an individual review by the committee in advance of each service to be provided by Ernst & Young LLP.

Representatives of Ernst & Young LLP will not be present at the Annual Meeting but are expected to be available by telephone should there be questions that need to be addressed by them.

Fees and Services of Ernst & Young LLP

The following table summarizes fees billed to us by Ernst & Young LLP for fiscal years 2007 and 2008; all services were pre-approved by the Audit Committee:

Service	Fees	
	2007	2008
Audit Fees(1)	\$1,176,000	\$1,406,000
Audit-Related Fees		
Tax Fees(2)	237,000	228,000
Total	\$1,413,000	\$1,634,000

(1) Fees for audit services include fees associated with the annual audit, the reviews of our quarterly reports on Form 10-Q, statutory audits required internationally, and fees related to registration statements.

(2) Tax fees included tax compliance, direct out-of-pocket expenses, tax advice and tax planning.

STOCKHOLDER PROPOSALS

Stockholder proposals intended for inclusion in the Company's Proxy Statement for the annual meeting of Stockholders in 2009 must have been received by Ried Zulager, Secretary, Cogent Communications Group, Inc., 1015 31st Street NW, Washington, D.C. 20007, by January 18, 2009.

The Company's Bylaws provide that stockholders desiring to nominate a director or bring any other business before the stockholders at an annual meeting must notify the Secretary of the Company thereof in writing during the period 120 to 90 days before the first anniversary of the date of the preceding year's annual meeting or, if the date of the annual meeting is more than 30 days before or more than 70 days after such anniversary date, notice by the stockholder to be timely must be so delivered during the period 120 to 90 days before such annual meeting or 10 days following the day on which public announcement of the date of such meeting is first made by the Company. These stockholder notices must set forth certain information specified in the Company's Bylaws.

OTHER MATTERS

The Board knows of no other business that will be presented to the Annual Meeting. If any other business is properly brought before the Annual Meeting, proxies in the enclosed form will be voted in respect thereof in accordance with the judgments of the persons voting the proxies.

It is important that the proxies be returned promptly and that your shares are represented. Stockholders are urged to sign, date and promptly return the enclosed proxy card in the enclosed envelope.

A copy of the Company's 2008 Annual Report to Stockholders accompanies this Proxy Statement. The Company has filed an Annual Report for its fiscal year ended December 31, 2008 on Form 10-K with the SEC. Stockholders may obtain, free of charge, a copy of the Form 10-K by writing to Cogent Communications Group, Inc., Attn: Investor Relations, 1015 31st Street, Washington, D.C. 20007.

Stockholders may also obtain a copy of the Form 10-K by accessing the Company's website at www.cogentco.com under the "Reports" tab under the "Investor Relations" section.

By Order of the Board of Directors

Ried Zulager, Secretary

Washington, D.C.
March 17, 2009

REVOCABLE PROXY

COGENT COMMUNICATIONS GROUP, INC.

x **PLEASE MARK VOTES
AS IN THIS EXAMPLE**

THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS FOR

THE ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON

APRIL 23, 2009 AT 9:00 A.M.

The undersigned holder of common stock, par value \$0.001, of Cogent Communications Group, Inc. (the "Company") hereby appoints Robert N. Beury and Ried Zulager, or either of them, as proxies for the undersigned, each with full power of substitution, to represent and to vote as specified in this proxy all common stock of the Company that the undersigned stockholder would be entitled to vote if present in person at the Annual Meeting of Stockholders (the "Annual Meeting") to be held on April 23, 2009 at 9:00 a.m. local time, at the Company's offices at 1015 31st Street, NW, Washington, D.C. 20007, and at any adjournments or postponements of the Annual Meeting. The undersigned stockholder hereby revokes any proxy or proxies heretofore executed for such matters.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL PROPOSALS.

Please be sure to sign and date
this Proxy in the box below.

Date

Stockholder sign above

Co-holder (if any) sign above

1. PROPOSAL Election of Directors

For	Withhold Authority	For All Except
o	o	o

Nominees: Dave Schaeffer, Steven Brooks, Erel N. Margalit, Timothy Weingarten, Richard T. Liebhaber and D. Blake Bath.

(INSTRUCTIONS: to withhold authority to vote for any individual nominee, mark the FOR ALL EXCEPT box and write that nominee's name(s) in the space provided below.)

2. PROPOSAL To ratify the appointment of Ernst & Young, LLP as the Company's Independent registered public accountants for the fiscal year ending December 31, 2009.

For	Against	Abstain
o	o	o

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3. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Annual Meeting or any adjournment thereof.

This proxy, when properly executed, will be voted in the manner directed herein by the undersigned stockholder. **If no direction is given, this proxy will be voted FOR each of the proposals and in the discretion of the proxies as to any other matters that may properly come before the Annual Meeting.** The undersigned stockholder may revoke this proxy at any time before it is voted by delivering to the Secretary of the Company either a written revocation of the proxy or a duly executed proxy bearing a later date, or by appearing at the Annual Meeting and voting in person.

The undersigned acknowledges receipt of the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement in which the proposals are fully explained.

Detach above card, sign, date and mail in postage paid envelope provided.

COGENT COMMUNICATIONS GROUP, INC.

PLEASE ACT PROMPTLY

PLEASE COMPLETE, DATE, SIGN, AND MAIL THIS PROXY CARD PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

Please date and sign exactly as your name(s) is (are) shown on the share certificate(s) to which the proxy applies. When shares are held as joint-tenants, both should sign. When signing as an executor, administrator, trustee, guardian, attorney-in-fact or other fiduciary, please give full title as such. When signing as a corporation, please sign in full corporate name by President or other authorized officer. When signing as a partnership, please sign in partnership name by an authorized person.

COGENT COMMUNICATIONS GROUP, INC.

**Important Notice Regarding the Availability of Proxy Materials for the
Shareholder Meeting to Be Held at 9:00 a.m., April 23, 2009**

The proxy statement and annual report to shareholders (Form 10-K) are available at: <http://www.cogentco.com/Reports>

The materials available at the website are the proxy statement and annual report to shareholders (Form 10-K).

The annual shareholder meeting will be held at 9:00 a.m. on April 23, 2009 at Cogent's offices at 1015 31st Street, NW, Washington, D.C. 20007. The matters to be covered are noted below:

1. **Election of Directors;**
2. **Ratification of Appointment of Ernst & Young LLP as Independent registered public accountants for the fiscal year ending December 31, 2009;**
3. **Other matters as may properly come before the meeting.**

The Board of Directors of Cogent recommends voting FOR Proposal 1 Election of Directors and Proposal 2 Ratification of Appointment of Ernst & Young LLP as Independent registered public accountants for the fiscal year ending December 31, 2009.

You are cordially invited to attend the meeting in person. Your participation in these matters is important, regardless of the number of shares you own. Whether or not you expect to attend in person, we urge you to complete, sign, date and return the enclosed proxy card as promptly as possible in the enclosed envelope. If you choose to attend the meeting you may then vote in person if you so desire, even though you may have executed and returned the proxy. Any stockholder who executes such a proxy may revoke it at any time before it is exercised. A proxy may be revoked at any time before it is exercised by delivering written notice of revocation to the Company, Attention: Ried Zulager; by delivering a duly executed proxy bearing a later date to the Company; or by attending the Annual Meeting and voting in person.

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