

# FRMO CORP.

Notice of Annual Meeting of Shareholders  
August 30, 2016  
3:00 p.m. Local Time

July 25, 2016

Dear Shareholder:

We cordially invite you to attend the Annual Meeting of Shareholders of FRMO Corp. which will be held at The Harvard Club of New York City, 35 West 44<sup>th</sup> Street, New York, NY 10036 (The West Room) on Tuesday, August 30, 2016 at 3 p.m. eastern time. At the meeting, we will ask shareholders to:

- Elect a Board of seven directors;
- To ratify the appointment of Baker Tilly Virchow Krause, LLP as the independent registered public accounting firm of the Company for the fiscal year ending May 31, 2016.
- Vote on any other business which properly comes before the meeting.

At the meeting, we will also review our Fiscal 2016 financial results and outlook for the future. We will be available to answer your questions.

Shareholders of record at the close of business on July 12, 2016 are entitled to vote at the meeting or any adjournments thereof. Please read the attached Proxy Statement carefully and vote your shares promptly whether or not you are able to attend the meeting.

We encourage all shareholders to attend the meeting.

By Order of the Board of Directors

/s/ Therese Byars  
Corporate Secretary

**Please assist the Company, and ensure that your vote is recorded, by signing your Proxy as soon as possible even if you plan to attend the annual meeting. If you do attend, you may vote in person and the Proxy will be superseded by the vote you cast at the meeting.**

**FRMO CORP.**  
**1 North Lexington Avenue, Suite 12C**  
**White Plains, NY 10601**

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**PROXY STATEMENT**

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**ANNUAL MEETING OF SHAREHOLDERS**  
**To be held on August 30, 2016**

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This Proxy Statement (“Proxy”) is being made available to the Shareholders of FRMO Corp., a Delaware corporation (the “Company”), in connection with the solicitation of Proxies by the Board of Directors for use at the Annual Meeting of Shareholders of the Company to be held on August 30, 2016 at 3:00 p.m., at the Harvard Club of New York City, West Room at 35 West 44<sup>th</sup> Street, New York, NY 10036, and at any adjournments thereof.

**Proposals to be Voted On**

At the Annual Meeting, Shareholders will vote on the following proposals:

**Proposal 1** – To elect seven directors.

**Proposal 2** – To ratify the appointment of Baker Tilly Virchow Krause, LLP as the independent registered public accounting firm of the Company for the fiscal year ending May 31, 2017.

The Board of Directors recommends that shareholders vote “**FOR**” the election of each director and “**FOR**” the ratification of the appointment of Baker Tilly Virchow Krause, LLP as the independent registered public accounting firm of the Company for the fiscal year ending May 31, 2017.

The Board of Directors knows of no matters that are likely to be brought before the Meeting other than as set forth in the Notice of Meeting. If any other matters properly come before the Meeting, the persons named in the Proxy or their substitutes will vote in accordance with their best judgment on such matters.

## **Record Date, Shares Outstanding, and Entitled to Vote**

July 12, 2016 is the Record Date for the determination of the holders of the Company's common shares, par value \$.001 per share (the "Common Shares") who are entitled to notice of, and to vote at the Annual Meeting. Each such Shareholder will be entitled to one vote for each Common Share held on all matters to come before the Annual Meeting and may vote by Internet, by telephone, by mail, or in person. At the close of business on July 12, 2016, there were 43,953,155 Common Shares entitled to vote. Broadridge must receive your voting instructions no later than 11:59 P.M. EST on Monday, August 29, 2016.

- ***Voting by Internet:***

You can vote at [www.proxyvote.com](http://www.proxyvote.com). Use the Internet to transmit your voting instructions and for electronic delivery of information until 11:59 P.M. EST on Monday, August 29, 2016 (the day before the Annual Meeting). Have your Proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

- ***Voting by Telephone:***

Use a touch-tone telephone to call 1-800-690-6903 to transmit your voting instructions until 11:59 P.M. EST on Monday, August 29, 2016 (the day before the Annual Meeting).

- ***Voting by Mail:***

Mark, sign, and date your Proxy card and return it in the postage-paid envelope provided, or return it to *Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717*. Broadridge must receive the physical Proxy card by 11:59 P.M. EST on Monday, August 29, 2016 (the day before the Annual Meeting).

- ***Voting in person at the Meeting:***

You should complete and sign the Proxy card and bring it to the Meeting.

If you hold your shares in street name, meaning that your shares are held in the name of a broker, bank, trust, or other nominee as custodian, you may vote by completing the voting instruction form provided to you by your broker or nominee. *You may not vote your shares in person at the Annual Meeting unless you obtain a legal Proxy from your broker or nominee.*

The Notice of Meeting, Proxy Statement, and Proxy Form were first sent to holders of Common Shares on or about July 25, 2016. The Annual Report for the fiscal year ended May 31, 2016 will be filed on the Company's website, [www.frmocorp.com](http://www.frmocorp.com) and on the OTC Disclosure and News Service.

## **Annual Meeting Admission**

Admission to the FRMO Annual Meeting is limited to stockholders who owned Common Stock as of the close of business on July 12, 2016, the record date, or their duly appointed proxies, and one guest. **Proof of ownership of FRMO stock and valid government-issued photo identification must be presented in order to be admitted to the Annual Meeting.** Each guest must also present valid government-issued photo identification. If your shares are held in the name of a bank, broker, or other holder of record, you must bring a brokerage statement or other proof of ownership (or the equivalent proof of ownership as of the close of business on the record date of the stockholder who granted you the Proxy). If your shares are held in certificate form, ownership will be verified by consulting the list of Registered Shareholders as of the record date. Registration will begin at 2:00 p.m.

*No cameras, recording equipment, electronic devices, large bags, briefcases, or packages will be permitted in the Annual Meeting. Dress code for the Harvard Club is business casual (no jeans, sneakers or athletic wear permitted).*

## **Voting and Revocation of Proxies**

Shareholders are requested to complete, date, sign, and promptly return the Proxy Card. Common Shares represented by properly executed Proxies received by the Company and not revoked will be voted in accordance with the specifications, if any, made in the Proxy. If not otherwise specified in the Proxy, the shares will be voted in favor of Proposals 1 and 2. Proxies that are not signed and proxies that are not returned will be treated as not voted.

If any other matters are properly presented at the Annual Meeting for consideration including, among other items, consideration of a motion to adjourn the Annual Meeting to another time and/or place (including, without limitation, for the purpose of soliciting additional Proxies), the persons named in the Proxy and acting thereunder will have discretion to vote on such matters in accordance with their best judgment.

Any Proxy signed and returned by a Shareholder may be revoked by sending a written notice of revocation dated after the date of the Proxy to the Corporate Secretary of the Company at the Company's principal office, or by executing and delivering a subsequently dated Proxy, or by attending the Annual Meeting, giving oral notice of the intention to vote in person, and submitting a Proxy card or ballot at the Annual Meeting. Attendance at the Annual Meeting will not in and of itself constitute revocation of a Proxy.

For shares held in street name, shareholders should contact their brokers to determine how to change a Proxy vote.

## **Proxy Solicitation**

The Company will bear the costs of solicitation of Proxies for the Annual Meeting. In addition to solicitation by mail, directors, officers, and regular employees of the Company may solicit Proxies from Shareholders by telephone, email, personal interview, or otherwise. Such directors, officers, and employees will not receive additional compensation, but may be reimbursed for out-of-pocket expenses in connection with such solicitation. Brokers, nominees, fiduciaries, and other custodians have been requested to forward soliciting material to the beneficial owners of Common Shares held of record by them, and such custodians will be reimbursed for their reasonable expenses.

## **TRADING SITE**

The Common Shares of the Company are traded on the OTC PINK platform under the symbol FRMO.

## **THE MEETING**

### **Date, Time, and Place**

The Meeting will be held on Tuesday, August 30, 2016 at 3:00 p.m. local time at the Harvard Club of New York City, West Room, at 35 West 44<sup>th</sup> Street, New York, NY 10036.

## **PROPOSAL 1**

### **Elect Seven (7) Directors**

The Board of Directors currently consists of seven (7) directors: Murray Stahl, Steven Bregman, Peter Doyle, Lawrence J. Goldstein, Lester J. Tanner, Allan Kornfeld, and Jay P. Hirschson.

If elected, each director will serve for a term ending on the date of the next Annual Meeting and until such time as his successor is elected, or until his earlier death, resignation, disqualification, or removal as provided by statute. Each signed Proxy that is returned to FRMO Corp. will be voted “**FOR**” each of the seven (7) nominees named above unless authority to vote for any of them is withheld. Each nominee has consented to being named in this Proxy Statement and to serve, if elected. The Company has no reason to believe that any of the director nominees named in this Proxy Statement will be unable or unwilling to serve as a director if elected. However, in the event any of the nominees withdraws or otherwise becomes unavailable for election, the shares represented by all valid proxies will be voted for the election of a substitute nominee, as may be designated by the Board of Directors, or the Board of Directors may allow a vacancy to exist, in its discretion.

Under Delaware law, the affirmative vote of holders of a plurality of the Common Shares voted at the Annual Meeting is required to elect each director. Consequently, only shares that are voted in favor of a particular nominee will be counted toward such nominee’s achievement of a plurality. Shares present at the Annual Meeting that are not voted for a particular nominee (including broker non-votes) will not be counted toward such nominee’s achievement of a plurality.

The Board of Directors recommends a vote “**FOR**” the nominees set forth below.

**Murray Stahl:**

Age 62. Mr. Stahl is a co-founder of the Company and has been Chairman of the Board and Chief Executive Officer of the Company since 2001. He is also Chief Executive Officer and co-founder of Horizon Kinetics LLC, the parent holding company to several registered investment advisers and broker-dealers. In addition, Mr. Stahl is a board member for the Minneapolis Grain Exchange, the Bermuda Stock Exchange, Winland Electronics, and IL&FS Securities Services Limited, a company based in India. Prior to 1994, Mr. Stahl was with Bankers Trust for 16 years as a senior portfolio manager and research analyst.

**Steven Bregman:**

Age 57. Mr. Bregman is a co-founder of the Company and has been President, Treasurer, Chief Financial Officer, and a Director of the Company since 2001. He is also the President and co-founder of Horizon Kinetics LLC, the parent holding company to several registered investment advisers and broker-dealers. Prior to 1994, Mr. Bregman was with Bankers Trust for 9 years where he was an Investment Officer in the bank’s Private Client Group.

**Peter Doyle:**

Age 54. Mr. Doyle is a co-founder of the Company and has been Vice President and a Director of the Company since 2001. He is also a Managing Director and co-founder of Horizon Kinetics LLC, the parent holding company to several registered investment advisers and broker-dealers, and serves as President of the Kinetics Mutual Funds, a series of U.S. mutual funds managed by a subsidiary of Horizon Kinetics LLC. Prior to 1994, Mr. Doyle was with Bankers Trust for 9 years as an Investment Officer.

**Lawrence J. Goldstein:**

Age 80. Mr. Goldstein has been an independent Director of the Company since 2001. He is the General Partner of Santa Monica Partners, L.P., a private investment partnership he founded in 1982. Prior thereto he was First Vice President of Drexel Burnham Lambert and a General Partner (Security Analyst and Fund Manager) of its predecessor Burnham & Company for 23 years.

**Lester J. Tanner:**

Age 92. Mr. Tanner has been a Director of the Company since May 28, 2015. He is a practicing attorney in New York City. From 2001-2014 he was General Counsel of FRMO Corp. He was a Director from 2001 to 2006, and has served as a Director of the Company’s subsidiary Fromex Equity Corp. since its inception in 2006. For 38 years prior to 2001, he was in private practice as the senior partner of Tanner Propp LLP with a concentration in mergers, acquisitions and business transactions.

**Allan Kornfeld:**

Age 78. Mr. Kornfeld has been a Director of the Company since May 28, 2015. He previously served as an independent Director of FRMO Corp. from 2001 to 2006, and has served as a Director of the Company's subsidiary Fromex Equity Corp. since its inception in 2006. He served as Chairman of the Board of MFC Development Corp from 1998-2002. He served as an executive of Ametek, Inc. from 1975 to 1986 and then as its Chief Financial Officer and Executive Vice President to 1994. He previously served as an auditor and Audit Partner with Ernst & Young from 1960 to 1975. Mr. Kornfeld is both a certified public accountant and an attorney.

**Jay P. Hirschson:**

Age 49. Mr. Hirschson has been a Director of the Company since May 28, 2015. Previously he served as an independent Director of FRMO Corp. from 2005 to 2006, and has served as a Director of the Company's subsidiary Fromex Equity Corp. since its inception in 2006. Since 2013, he has been the Chief Financial Officer of StrikeAd, Inc. (acquired by Sizmek Inc. (SZMK) in May 2015). He previously served as the Director of Web Finance and Operations at Brooks Brothers Group, and he co-founded and served as CFO of TRAFFIQ, an online advertising SaaS (Software as a Service) platform.

All of the foregoing persons are currently directors of the Company. Their positions on standing committees of the Board are shown below under "Information Concerning the Board of Directors and Board Committees."

**Voting Information**

The Board of Directors recommends that shareholders vote "**FOR**" the election of each director.



## PROPOSAL 2

### To Ratify the Appointment of Baker Tilly Virchow Krause, LLP as the Independent Registered Public Accounting Firm of the Company for the Fiscal Year Ending May 31, 2017

#### General Information

Representatives from Baker Tilly Virchow Krause, LLP (“Baker Tilly”) are expected to be present at the 2016 Annual Meeting and will be available to respond to appropriate questions from the Company’s shareholders.

#### Audit Fees

Baker Tilly provided services in connection with the audit of the Company’s financial statements for the years ended May 31, 2016 and 2015, and the review of the Company’s quarterly financial statements for the three months ended August 31, 2015 and 2014, three months and six months ended November 30, 2015 and 2014, and three months and nine months ended February 29, 2016 and February 28, 2015. Baker Tilly did not perform any other non-audit services other than the aforementioned review of the Company’s quarterly financial statements. The Board of Directors determined Baker Tilly is independent with respect to the Company.

The following is a summary of fees billed and to be billed to the Company by Baker Tilly, the Company’s independent registered public accounting firm, for professional services rendered for fiscal years ended May 31, 2016 and 2015:

	Fiscal Year Ended May 31,	
	2016	2015
Audit and review fees (billed)	<u>\$ 103,801</u>	<u>\$ 183,070</u>
Estimated audit and review fees (to be billed)	<u>\$ 100,000</u>	<u>\$ -</u>

#### Voting Information

The Board recommends a vote “**FOR**” the proposal to ratify the appointment of Baker Tilly as the independent registered public accounting firm of the Company for the fiscal year ending May 31, 2017. The affirmative vote of holders of a plurality of the Common Shares voted at the

Annual Meeting is required to ratify the appointment of Baker Tilly as the Company's independent registered public accounting firm for the fiscal year ending May 31, 2017.

## **INFORMATION CONCERNING THE BOARD OF DIRECTORS AND BOARD COMMITTEES**

### **The Director Nomination Process**

The Board of Directors of FRMO Corp. does not have a nominating committee. The full Board of Directors performs the functions of a nominating committee. The Board of Directors, being relatively small in number, has time to perform the functions of selecting Board nominees and has in the past acted unanimously regarding nominees.

In considering an incumbent director whose term of office is to expire, the Board reviews the director's overall service during the person's term, the number of meetings attended, level of participation, and quality of performance. In the case of new directors, the directors on the Board are asked for suggestions as to potential candidates, to discuss any candidates suggested by a shareholder of the Company, and to apply the criteria stated below. The Company may engage a professional search firm to identify nominees for the position of director of the Company. To date, the Board has not engaged professional search firms for this purpose.

The Board considers candidates for nomination to the position of director who it believes have excellent decision-making ability, business experience, particularly in the areas of finance and company analysis, personal integrity, and who meet such other criteria as may be set forth in a writing adopted by a majority vote of the Board. While the Board values a diversity of viewpoints and backgrounds, it does not have a formal policy regarding the consideration of diversity in identifying director nominees.

### **Directors' Meetings and Committees**

Since July 16, 2015, the Board of Directors has held five meetings. Each member of the Board attended at least 80% of the meetings of the Board and of the committees on which such member served during the 2016 fiscal year. The Board of Directors has the following committees: Executive Committee, Audit Committee, and Compensation Committee.

*The Executive Committee* exercises the authority of the Board of Directors in the management of the business of the Company at such times as the full Board of Directors is unavailable. The Executive Committee currently consists of Steven Bregman (Chair), Murray Stahl, and Peter Doyle.

*The Audit Committee* operates under a Charter adopted by the Company. Its members are Allan Kornfeld (Chair), Lawrence J. Goldstein, and Jay Hirschson. All members are independent

directors and are “financially literate.” They, among others, review the Company’s Annual Financial Statement and the Company’s relationship with its independent auditor.

*The Compensation Committee* reviews and establishes the compensation program, of whatever form, for officers, directors, and employees of the Company. Its members are Peter Doyle (Chair), Murray Stahl, Steven Bregman, Lester J. Tanner, and Lawrence J. Goldstein. The primary responsibilities of the Compensation Committee include, without limitation, overseeing the development of a compensation philosophy for the Company. The Company currently pays only non-cash compensation, as described in the paragraph below under Compensation of Officers, and awards stock options to two of the independent directors of the board, as described in the paragraph below under Compensation of Directors.

### **Compensation of Officers**

The Officers of the Company, who are major shareholders, have agreed not to draw any salaries for the fiscal year ended May 31, 2016 or for the current fiscal year. A notional salary allocation is required under GAAP and accordingly non-cash compensation is recorded as an expense and as an increase to additional paid-in capital.

### **Compensation of Directors**

The Company has not paid compensation to any director in the fiscal year ended May 31, 2016, and has made no arrangement to pay directors’ fees in the current fiscal year. Only Allan Kornfeld and Jay Hirschson, directors of FRMO Corp., received a stock option in that period for 5,000 shares and 3,000 shares respectively of common stock, each at \$7.98 per share. The other five directors are large shareholders and have waived compensation for their service as members of the Company’s board.

### **Stock Options**

The Company, from time to time, will issue stock options to officers, directors, or key employees of FRMO Corp. or its subsidiary, which are designated to provide incentive for superior performance, the value of which will increase or decrease based upon the future price of the Common Shares. See the Company’s Annual Report for stock options issued and outstanding on May 31, 2016.

## Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information as of May 31, 2016 regarding the beneficial ownership of the Company's shares of common stock by (i) each person who we believe to be the beneficial owner of more than 5% of the outstanding shares of common stock, (ii) each present director, (iii) the present executive officers and directors as a group.

Name of Beneficial Owner	Number of Shares Beneficially Owned or Controlled	Approximate Percent of Shares Outstanding
Murray Stahl	7,164,912	16.3%
John C. Meditz	7,139,851	16.2%
Steven Bregman	6,912,970	15.7%
Thomas C. Ewing	5,597,051	12.7%
Peter B. Doyle	4,217,080	9.6%
Lawrence J. Goldstein	1,892,780	4.3%
Santa Monica Partners, L.P. <sup>(1)</sup>	1,158,633	2.6%
Lester J. Tanner	277,030	*
Allan Kornfeld	22,500	*
Jay P. Hirschson	110	*
FRMO executive officers and directors as a group	34,382,917	78.2%

\* Less than 1%

(1) Controlled by Mr. Goldstein

## Code of Ethics

The Company has adopted a written Code of Ethics that applies to all of its directors, officers and employees. Any shareholder may obtain a copy of the Code of Ethics free of charge by writing to Thérèse Byars, Corporate Secretary, at the address set forth on the top of page 1 of this Proxy Statement.

## Indemnification

Pursuant to its By-Laws, the Company provides indemnification for all directors and officers of the Company and its subsidiaries. No claims have been made pursuant to this indemnification.

## **ANNUAL REPORT**

A copy of the Company's Annual Report for the fiscal year ended May 31, 2016, as well as copies of the interim quarterly reports are posted on the Company's website at [www.frmocorp.com](http://www.frmocorp.com), and on the OTC Disclosure and New Service when available.

### **SHAREHODLER PROPOSALS AND DIRECTOR NOMINATIONS**

A Shareholder entitled to vote in the election of directors may nominate one or more persons for election as directors at the meeting if written notice in proper form of such Shareholder's intent to make such nomination has been delivered to, or mailed and received by the Corporate Secretary of the Company at the principal office not less than 120 nor more than 150 days prior to the one-year anniversary of the preceding year's annual meeting date; provided, however, that if the date of the annual meeting is more than 30 days before or after such anniversary date, notice by the shareholder to be timely must be so delivered, or mailed and received, not later than the later of (i) 90 days prior to such annual meeting, or (ii) the date that is 10 days after the day on which public disclosure of the date of such annual meeting was first made (such notice within such time periods, "Timely Notice").

Such notice shall set forth the name and address of the Shareholder and his or her nominee, a representation that the Shareholder is entitled to vote at such meeting and intends to nominate such person, a description of all arrangements or understandings between the Shareholder and each nominee, such other information as would be appropriate to be included in a Proxy Statement soliciting proxies for the election of such Shareholder's nominee, and the consent of each nominee to serve as a director of the Company if so elected. The Company may require any proposed nominee to furnish such other information as may reasonably be required to determine the eligibility of such proposed nominee to serve as a director of the Company

Proposals that Shareholders wish to include in the Company's Proxy Statement and Proxy for presentation at the Company's 2016 Annual Meeting of Shareholders, presently scheduled to be held on August 30, 2016, must be received by the Corporate Secretary of the Company at the Company's principal office within the time period defined above as Timely Notice.

July 12, 2016

By Order of the Board of Directors

/s/ Murray Stahl  
Chairman and Chief Executive Officer

/s/ Steven Bregman  
President, Treasurer, and Chief Financial Officer