

TEDA TRAVEL GROUP INC
Form 8-K
January 14, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **January 14, 2005**

TEDA TRAVEL GROUP INC.

(Exact name of Registrant as specified in charter)

Delaware
(State or other jurisdiction
of incorporation)

000-30264
(Commission File Number)

11-3177042
(IRS Employer
Identification Number)

Suite 2102 Chinachem Century Tower
178 Gloucester Road
Wanchai, Hong Kong

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(Address of principal executive offices)

Registrant's telephone number, including area code: **(852) 2833-2186**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

..

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

..

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

..

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

..

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On January 4, 2005, a wholly-owned subsidiary of Teda Travel Group, Inc., a Delaware Corporation (Registrant), called Teda Hotel Management Company Limited, signed a definitive agreement to purchase 55% of the outstanding registered capital of Shanghai Bowking Hotel Management Co. Ltd. ("Bowking" or Company), a domestic company registered in the People's Republic of China. The registered capital of Bowking were purchased from the two beneficial owners of the company who are unrelated to the Registrant. The purchase price is approximately \$ 242,200 (US), of which \$121,100 (US) payable in cash and \$121,100 (US) payable in the restricted common stock of the Registrant based on a per share price of the greater of the weighted average market price of the Registrant's shares of common stock 10 trading days immediately before the completion, or \$2.50 per share. The stock portion is payable in three installments, the first installment (\$48,400 (US)) will be payable within 14 days of completion, each of the second and third installments of \$36,300 (US) each are payable over the next two years, with the final one due in 2007. The payment of each of these foregoing installments is subject to the Company satisfying certain net income milestones. The cash portion is payable in four installments, the first installment (\$12,100 (US)) will be payable within five days of completion. Each of the second to fourth installments of \$36,300 (US) are payable over the next three years, with the final one due in 2008. The payment of each of the foregoing three installments is subject to the Company satisfying certain net income milestones. In addition, upon completion, the beneficial owners shall grant an option to the Registrant to purchase additional shares of the Company at the same price as set forth in this definitive agreement. The description of the terms of this agreement is subject to the terms of the agreement filed herein as Exhibit 2.1.

The source of the funds used for this acquisition will be internally-generated funds.

The completion of this transaction is expected to occur on or about March 15, 2005, pending on due diligence clearance and approval from Chinese authorities.

Established in 2000, Bowking has successfully managed more than 12 similar hotel projects, and has established a well-known brand in China with its bases in both Shanghai and Wuhan. It is expected to be orchestrating the opening and operation of not fewer than 5 four-star to five-star hotels in China in 2005.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements.

To be filed by amendment.

(c) Exhibits.

Exhibit No.	Description
<u>2.1</u>	Definitive Sale & Purchase Agreement
<u>99.1</u>	Press Release

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TEDA TRAVEL GROUP INC.

Dated: January 14, 2005

By: /s/ GODFREY CHIN TONG HUI
Godfrey Chin Tong Hui
Chief Executive Officer

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Douglas Y. Bech

\$
100,000

\$
179,968

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—

\$
279,968

Robert J. Cresci

\$
98,750

(5)

\$
179,968

—

—

—

—

\$
278,718

W. Brian Kretzmer

\$
88,750

(6)

\$
179,968

—

—

—

—

\$
268,718

Jonathan Miller

\$
70,000

\$
179,968

–

–

–

–

\$
249,968

Stephen Ross

\$
70,000

\$
179,968

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–

\$
249,968

These amounts represent the grant date fair value under FASB ASC Topic No. 718, Compensation – Stock Compensation ("ASC 718") for restricted stock awards granted in 2016. The ASC 718 value as of the grant date for stock awards is spread over the number of months of service required for the grant to become non-forfeitable.

- (1) There can be no assurance that the ASC 718 amount will ever be realized. Assumptions used in the calculation of these amounts for awards granted in 2016 are included in Note 13, "Stock Options and Employee Stock Purchase Plan" to the audited financial statements for the fiscal year ended December 31, 2016, included in j2 Global's Annual Report on Form 10-K filed with the SEC on March 1, 2017.

Messrs. Ressler, Bech, Cresci, Kretzmer and Ross each had unvested restricted stock awards totaling 2,858 shares (2) of j2 Global common stock outstanding at fiscal year end. Mr. Miller had unvested restricted stock awards totaling 24,063 shares of j2 Global common stock outstanding at fiscal year end.

(3) The directors had the following outstanding stock options at fiscal year end: Mr. Ressler: 81,857; Mr. Bech: 50,078; Mr. Cresci: 81,857; Mr. Kretzmer: 29,421; and Mr. Ross: 33,398. Mr. Miller had no outstanding stock options at fiscal year end.

(4) Payments to Mr. Ressler are made pursuant to a consulting agreement between j2 Global and Orchard Capital, a company controlled by Mr. Ressler.

(5) Amounts in 2016 reflect payments in respect of Mr. Cresci's appointment as Lead Independent Director and resignation as Chairman of the Audit Committee in May 2016.

(6) Amounts in 2016 reflect payments in respect of Mr. Kretzmer's appointment as Chairman of the Audit Committee in May 2016.

EXECUTIVE OFFICERS

The following sets forth certain information regarding j2 Global's executive officers (ages are as of the record date):

Nehemia Zucker, 60, became j2 Global's Chief Executive Officer in May 2008. From August 2005 to May 2008, Mr. Zucker was Co-President and Chief Operating Officer. From April to August 2005, he served as Co-President, and from May 2003 to August 2005, he served as Chief Marketing Officer. From December 2000 to May 2003, Mr. Zucker served as Chief Marketing Officer and Chief Financial Officer, and from 1996 to December 2000, he served as Chief Financial Officer. Prior to joining j2 Global in 1996, Mr. Zucker was Chief Operations Manager of Motorola's EMBARC division, which packaged CNBC and ESPN for distribution to paging and wireless networks. From 1980 to 1996, he held various positions in finance, operations and marketing at Motorola in the United States and abroad.

R. Scott Turicchi, 53, became j2 Global's Chief Financial Officer in August 2014 and its President in May 2008. From June 2007 until May 2008, Mr. Turicchi was Co-President. From August 2005 until June 2007, he was Co-President and Chief Financial Officer. From May 2003 to August 2005, Mr. Turicchi served as j2 Global's Chief Financial Officer, and from March 2000 through May 2003, he served as j2 Global's Executive Vice President, Corporate Development. Mr. Turicchi served as a member of j2 Global's Board of Directors from 1998 through 2000. From 1990 to 2000, he was with Donaldson, Lufkin & Jenrette Securities Corporation's investment banking department, holding various positions, including Managing Director. Mr. Turicchi is a member of the Board of Directors of Greenhills Software, Inc., a privately held company that develops real-time operating systems. He is also Chairman of the Board of Governors of Thomas Aquinas College, Co-Chairman of the Council for Institutional Advancement for the Pontifical North American College and a Vice Chairman of Legatus International.

Jeremy D. Rossen, 46, was appointed as Vice President, General Counsel of j2 Global effective June 1, 2015 and Secretary in November 2015. From May 2009 until joining the Company in 2015, Mr. Rossen served as a Senior Vice President at The Gores Group, a private equity firm. Prior to that, Mr. Rossen served as General Counsel at Helio LLC, a wireless telecommunications carrier, General Counsel at Somera Communications, Inc., a telecommunications equipment company, and a corporate and securities attorney at Wilson, Sonsini, Goodrich & Rosati. Mr. Rossen holds Bachelor of Arts and Juris Doctor degrees from the University of Pennsylvania.

Steve P. Dunn, 47, was appointed as Chief Accounting Officer of j2 Global effective May 10, 2012. Mr. Dunn had previously served as j2 Global's Controller since joining j2 Global in March 2008. From May 2007 until joining j2 Global, Mr. Dunn served as Director of Accounting for Countrywide Capital Markets, a subsidiary of Countrywide Financial Corporation that specialized in trading and underwriting securities. Mr. Dunn is a Certified Public Accountant and has over 20 years of accounting experience in various industries.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information Regarding Beneficial Ownership of Principal Stockholders

The following table contains information regarding the beneficial ownership of j2 Global common stock by the stockholders j2 Global knows to beneficially own more than five percent of j2 Global's outstanding shares of common stock. The percentage of ownership is calculated using the number of outstanding shares on March 10, 2017.

Name	Number of Shares Beneficially Owned ⁽¹⁾	Approximate Percentage
FMR LLC 245 Summer Street Boston, Massachusetts 02210	5,040,324 ⁽²⁾	10.46%
BlackRock, Inc. 55 East 52 nd Street New York, NY 10022	4,599,199 ⁽³⁾	9.54%
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	3,611,358 ⁽⁴⁾	7.49%
William Blair Investment Management, LLC 222 W. Adams St. Chicago, IL 60606	2,594,027 ⁽⁵⁾	5.38%

(1) As of March 10, 2017, 48,189,642 shares of j2 Global common stock were outstanding.

(2) Based solely on information set forth in the stockholder's Schedule 13G/A filed with the SEC on February 14, 2017. FMR LLC ("FMR") made this filing on behalf of itself and various FMR-related entities. According to the Schedule 13G/A, FMR has sole voting power over 541,224 shares and sole dispositive power over 5,040,324 shares. Abigail P. Johnson and others members of the Johnson family, through their voting power at FMR, may be deemed to form a controlling group with respect to FMR.

(3) Based solely on information set forth in the stockholder's Schedule 13G/A filed with the SEC on January 25, 2017. BlackRock, Inc. ("BlackRock") made this filing on behalf of itself and various BlackRock-related entities. According to the Schedule 13G/A, BlackRock has sole voting power over 4,500,654 shares and sole dispositive power over 4,599,199 shares.

(4) Based solely on information set forth in the stockholder's Schedule 13G/A filed with the SEC on February 10, 2017. According to the Schedule 13G/A, The Vanguard Group, Inc. ("Vanguard") has sole voting power over 93,618 shares, shared voting power over 5,200 shares, sole dispositive power over 3,514,840 shares and shared dispositive power over 96,518 shares. Vanguard Fiduciary Trust Company, a wholly owned subsidiary of Vanguard, is the beneficial owner of 91,318 shares. Vanguard Investments Australia, Ltd., a wholly owned subsidiary of Vanguard, is the beneficial owner of 7,500 shares.

(5) Based solely on information set forth in the stockholder's Schedule 13G filed with the SEC on February 14, 2017. William Blair Investment Management, LLC has sole voting power over 2,384,088 shares and sole dispositive power over 2,594,027 shares.

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Information Regarding Beneficial Ownership of Management

The table below sets forth certain information that has been provided to j2 Global with respect to beneficial ownership of shares of j2 Global common stock as of March 10, 2017 by: (i) each director and nominee for director of j2 Global, (ii) each of the named executive officers of j2 Global and (iii) all directors and executive officers of j2 Global as a group. Also reported as of that date is the beneficial ownership by such persons of our Series B Preferred Stock. Each of the persons or group of persons in the table below has sole voting power and sole dispositive power as to all of the shares of our common stock shown as beneficially owned by them, except as otherwise indicated.

Name ⁽¹⁾	Common Stock			Series B Preferred Stock	
	Number of Shares Beneficially Owned ⁽²⁾		Approximate Percentage	Number of Shares Owned ⁽³⁾	Approximate Percentage
Richard S. Ressler	1,380,353	(4)	2.86%	—	—
Douglas Y. Bech	187,070	(5)	*	—	—
Robert J. Cresci	155,452	(6)	*	—	—
W. Brian Kretzmer	35,718	(7)	*	—	—
Jonathan F. Miller	153,914	(8)	*	667	21.17%
Stephen Ross	45,005	(9)	*	—	—
Nehemia Zucker	207,436	(10)	*	—	—
R. Scott Turicchi	291,047	(11)	*	—	—
Jeremy D. Rossen	24,708	(12)	*	—	—
Steve P. Dunn	18,909	(13)	*	—	—
All directors and executive officers as a group (10 persons)	2,499,612	(14)	5.15%		

* Less than 1%

(1) The address for all executive officers, directors and director nominees is c/o j2 Global, Inc., 6922 Hollywood Blvd., Suite 500, Los Angeles, California 90028.

(2) As of March 10, 2017, 48,189,642 shares of j2 Global common stock were outstanding. Shares of common stock beneficially owned and the respective percentages of beneficial ownership of common stock assumes the exercise or conversion of all options, warrants and other securities convertible into or exchangeable for common stock, including shares of Series B Preferred Stock beneficially owned by such person or entity currently exchangeable or exchangeable within 60 days of March 10, 2017. Shares issuable pursuant to the exercise of stock options and warrants exercisable within 60 days of March 10, 2017 or securities convertible into common stock within 60 days of March 10, 2017 are deemed outstanding and held by the holder of such shares of common stock, options, warrants, or the other securities listed above for purposes of computing the percentage of outstanding common stock beneficially owned by such person, but are not deemed outstanding for computing the percentage of outstanding common stock beneficially owned by any other person.

Each outstanding share of Series B Preferred Stock is presently exchangeable into 31.8094 shares of common stock. The shares of Series B Preferred Stock beneficially owned and the respective percentages of beneficial ownership of Series B Preferred Stock stated in this column reflect ownership of shares of Series B Preferred (3) Stock, and not shares of common stock issuable upon conversion of shares of Series B Preferred Stock at this ratio. The percentage of beneficial ownership of Series B Preferred Stock beneficially owned is based on 3,150 shares of Series B Preferred Stock outstanding as of March 10, 2017.

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Consists of 1,307,496 shares of j2 Global common stock, including 2,858 shares of unvested restricted stock, and (4) options to acquire 72,857 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.

Consists of 136,992 shares of j2 Global common stock, including 2,858 shares of unvested restricted stock, and (5) options to acquire 50,078 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.

Consists of 73,595 shares of j2 Global common stock, including 2,858 shares of unvested restricted stock, and (6) options to acquire 81,857 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.

Consists of 8,297 shares of j2 Global common stock, including 2,858 shares of unvested restricted stock, and (7) options to acquire 27,421 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.

(8) Consists of 153,914 shares of j2 Global common stock, including 24,063 shares of unvested restricted stock.

Consists of 11,607 shares of j2 Global common stock, including 2,858 shares of unvested restricted stock, and (9) options to acquire 33,398 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.

Consists of 191,836 shares of j2 Global common stock, including 131,579 shares of unvested restricted stock, and (10) options to acquire 15,600 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.

(11) Consists of 251,847 shares of j2 Global common stock, including 94,964 shares of unvested restricted stock, and options to acquire 29,200 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting. Also includes 10,000 shares of j2 Global common stock held by The Turicchi Family Foundation.

(12) Consists of 24,708 shares of j2 Global common stock, all of which is unvested restricted stock.

(13) Consists of 18,909 shares of j2 Global common stock, all of which is unvested restricted stock.

(14) Consists of 2,179,201 shares of j2 Global common stock, including 308,513 shares of unvested restricted stock, and options to acquire 310,411 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting. Also includes 10,000 shares of j2 Global common stock held by The Turicchi Family Foundation.

j2 Global is not aware of any arrangements, including any pledge by any person of j2 Global's securities, the operation of which may at a subsequent date result in a change in control of j2 Global. j2 Global is not aware of any material proceedings to which any director, officer or affiliate of j2 Global, any owner of record or beneficially of more than five percent of j2 Global's common stock or any associate of any such director, officer, affiliate or stockholder is a party adverse to j2 Global or any of its subsidiaries or has a material interest adverse to j2 Global or any of its subsidiaries.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires j2 Global's officers (as defined in Rule 16a-1(f)), directors and persons who own more than 10% of a registered class of j2 Global's equity securities to file reports of ownership and changes in ownership with the SEC. Such persons are required by SEC regulations to furnish j2 Global with copies of all Section 16(a) forms they file. Based solely on j2 Global's review of the copies of such forms received by j2 Global and written representations from certain reporting persons that they have complied with the relevant filing requirements, j2 Global believes that all filing requirements applicable to j2 Global's officers, directors and 10% stockholders were complied with during the fiscal year ended December 31, 2016, except that Mr. Turicchi filed a Form 4 on September 19, 2016, to report a sale of j2 Global common stock on September 14, 2016.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

General

The Compensation Committee of j2 Global's Board of Directors:

- administers j2 Global's compensation programs, including its stock-based compensation plans;
- recommends to the Board of Directors the compensation to be paid to j2 Global's executives;
- recommends to the Board of Directors changes to j2 Global's compensation policies and benefit programs; and
- otherwise seeks to ensure that j2 Global's compensation philosophy is consistent with j2 Global's best interests and is properly implemented.

The Compensation Committee currently is comprised of three non-employee directors whom the Board of Directors has determined meet the independence requirements for compensation committee membership set forth in Nasdaq Marketplace Rule 5605.

Compensation Philosophy and Objectives

j2 Global's executive compensation program is designed to attract, retain and motivate j2 Global's executive officers in a manner that is tied directly to achievement of j2 Global's overall operating and financial goals, and thereby increase j2 Global's overall equity value. The Compensation Committee reviews j2 Global's compensation strategy annually. As part of this process, the Compensation Committee considers whether j2 Global's current compensation programs should be modified and whether new programs or elements of compensation should be introduced in order to better meet j2 Global's overall compensation objectives.

At j2 Global's 2016 Annual Meeting of Stockholders held on May 4, 2016, the Company held a stockholder advisory vote on the compensation of the named executive officers, commonly referred to as a "say-on-pay" vote. j2 Global's stockholders overwhelmingly approved the compensation of the named executive officers, with more than 97% of stockholder votes cast in favor of the Company's say-on-pay proposal. The Compensation Committee believes this affirms the stockholders' support of the Company's approach to executive compensation and, as a result, the Compensation Committee decided to retain its general approach to executive compensation. The Compensation Committee will continue to consider the outcome of the Company's say-on-pay votes when making future compensation decisions for the named executive officers.

Compensation for j2 Global's executives consists of salary, an executive bonus program, a supplemental bonus program for the Chief Executive Officer and President that has been discontinued, stock option grants and restricted stock awards. j2 Global's Compensation Committee has not adopted any formal policy for allocating compensation between long-term and short-term, between cash and non-cash or among different forms of non-cash compensation. Rather, the Compensation Committee assesses past performance and anticipated future contribution of each executive officer and recommends to the Board of Directors the total amount and mix of each element of compensation. In addition, the Committee believes that the most senior executives should have their compensation more heavily weighted toward equity compensation.

The Compensation Committee also considers from time to time the market compensation of similarly-situated executives at other companies and periodically purchases third-party compensation surveys or engages third-party compensation consultants to assist in providing comparative compensation data. In fiscal 2016, the Compensation Committee engaged Pearl Meyer to prepare a competitive analysis of the Company's current executive compensation programs that addressed j2 Global's Business Cloud Services Segment, j2 Global's Digital Media Segment and the Company on a consolidated basis (the "2016 Compensation Report"). As part of its analysis, Pearl Meyer selected and proposed companies for inclusion in two separate comparison groups. The "Cloud Peer Group" was comprised of the following companies that operated in the cloud services sector and had revenues that were roughly similar to the Company's Business Cloud Services Segment: Box, Inc., Cimpress N.V., Criteo SA, Endurance International Group Holdings, Inc., GoDaddy Inc., Green Dot Corporation, IAC/InterActiveCorp, Match Group, Inc., Neustar, Inc., Nuance Communications, Inc., Open Text Corporation, Pandora Media, Inc., Proofpoint, Inc., Rackspace Hosting, Inc., RingCentral, Inc., Shopify Inc., Shutterfly, Inc., Syntel, Inc., TripAdvisor Inc., WebMD Health Corp. and Zillow Group, Inc. The "Digital Media Peer Group" was comprised of the following companies that operated in the digital media sector that, in the opinion of Pearl Meyer, were similar to the Company's Digital Media Segment: Bankrate, Inc., Demand Media, Inc., QuinStreet, Inc., RetailMeNot, Inc., TechTarget, Inc., The Rubicon Project, Inc., WebMD Health Corp., and Zillow Group, Inc. The 2016 Compensation Report was presented to the Compensation Committee in April 2016. The 2016 Compensation Report helped clarify the relevancy of the companies used in the peer groups, and informed our decisions with respect to executive compensation for fiscal 2016.

The Compensation Committee recognizes that it is essential to receive objective advice from its external advisors. Consequently, the Compensation Committee is solely responsible for retaining and terminating Pearl Meyer, Pearl Meyer reports directly to the Compensation Committee and Pearl Meyer did not provide any other services to j2 Global during fiscal 2016.

In setting compensation for any given year, the Compensation Committee considers the amount of compensation from prior periods or amounts realizable from prior compensation.

j2 Global's compensation objective is to link compensation to improvements in corporate performance and increase in stockholder value. j2 Global's executive compensation program goals include the following:

- to establish pay levels that attract, retain and motivate highly qualified executive officers, while considering the overall market competitiveness for such executive talent and balancing the relationship between total stockholder return and direct compensation;
- to align executive officer remuneration with the interests of the stockholders;
- to recognize superior individual performance;
- to balance base and incentive compensation to complement j2 Global's annual and longer-term business objectives and strategies and encourage the fulfillment of those objectives and strategies through executive officer performance; and
- to provide compensation opportunities based on j2 Global's performance.

Compensation Components

Executive compensation consists of the following elements:

Salary. Base salary is the fixed portion of executive pay and is set to reward individuals' current contributions to j2 Global and compensate them for their expected day-to-day performance. Base salaries are evaluated annually for all

executive officers. In determining appropriate salary levels for the executive officers generally, the Compensation Committee considers, among other factors, the officer's scope of responsibility, prior experience and past performance, and data on prevailing compensation levels in relevant markets for executive talent.

25

The Compensation Committee generally targets executive salaries near the median percentile for comparable positions at comparable companies based upon third-party compensation survey information, including the 2016 Compensation Report. In determining 2016 base salaries, the Compensation Committee considered a number of factors including the information in the 2016 Compensation Report, together with various other factors such as Company performance and general economic conditions, among others.

Based on the factors described above, in May 2016 the Compensation Committee recommended, and the Board of Directors approved, the following increases to the base salaries of the named executive officers:

Name	Previous Base Salary	New Base Salary
Nehemia Zucker	\$752,500	\$785,000
R. Scott Turicchi	\$555,500	\$590,000
Jeremy D. Rossen	\$350,000	\$370,000
Steve P. Dunn	\$245,500	\$265,000

Non-Equity Incentive Compensation. j2 Global has established an executive bonus program (the "Senior Management Bonus Program") for awarding cash bonuses to j2 Global's senior executives, including the named executive officers. Bonus guidelines under the Senior Management Bonus Program are established each year and are designed to encourage and reward senior management for (a) attaining company-wide financial goals, (b) improving the financial and operational health of j2 Global and (c) meeting or exceeding individually defined goals and objectives. The Senior Management Bonus Program provides guidelines only as to payment of bonuses to executive program participants, is non-binding, and does not create any contract right between j2 Global and the participants.

The process for determining bonuses under the Senior Management Bonus Program relies on the development of corporate financial targets. In addition, individual goals and objectives are set for each program participant except the Chief Executive Officer and the President, who bear ultimate responsibility for achievement of the corporate financial targets and the budget. The financial objectives are generally in alignment with j2 Global's budget for the year, which budget is used as a basis for j2 Global's public disclosures regarding its expected annual financial performance. The individual goals and objectives are designed to help j2 Global achieve its financial goals. The corporate financial objectives are recommended by the Compensation Committee for approval by the Board of Directors.

Under the Senior Management Bonus Program established for fiscal 2016 (the "2016 Senior Management Bonus Plan"), j2 Global established a "bonus pool" based upon an aggregate of specified percentages of base salary of all eligible executives, ranging from 25% to 100%. For Mr. Zucker, the "target" bonus percentage was 110% of his base salary. For Mr. Turicchi, the "target" bonus percentage was 90% of his base salary. For Mr. Rossen, the "target" bonus percentage was 50% of his base salary. For Mr. Dunn, the "target" bonus percentage was 50% of his base salary. These percentages were determined based on the named executive officers' relative level of responsibility, size and complexity of the job, past contributions to j2 Global's performance and expected contributions to j2 Global's future success, based on the executive's articulated goals and objectives, as well as the market compensation of similarly-situated executives at other companies, as reflected in third-party compensation surveys, including the 2016 Compensation Report. However, the Compensation Committee retained the discretion to award bonus percentages higher or lower than these targets based on the overall plan funding level and the Committee's subjective assessment of each individual's achievement of his or her individual goals and objectives, as applicable.

The 2016 Senior Management Bonus Plan provided that the bonus pool would be "funded" only if j2 Global achieved at least 96% of a target adjusted Non-GAAP Net Income value ("Adjusted Non-GAAP Net Income") of \$237,959,000. Such amount would be calculated by taking j2 Global's consolidated GAAP net income, adding back any non-cash compensation expense, non-recurring one-time charges, depreciation and amortization, and deducting any non-recurring income or income recorded in the fiscal year of 2016 relating to a previous year, all items net of tax. Such amount would be further reduced by a cost of capital charge at a rate of 8.41% representing acquisitions. If 96% or more of the target Adjusted Non-GAAP Net Income was achieved, the bonus pool could be funded at between 50% and 170% of the target pool amount, or between \$907,512 and \$3,085,541, depending on the actual percentage of the Adjusted Non-GAAP Net Income target achieved. The bonus pool was capped at 170% if more than \$256,430,000 of Adjusted Non-GAAP Net Income was achieved. Notwithstanding the achievement of the 2016 Senior Management Bonus Plan criteria, the Compensation Committee retained discretion to increase or decrease the funding of the bonus pool based on factors it deemed appropriate.

Once the bonus pool was funded, individual bonuses were to be established by evaluating each executive's relative contribution to the success of j2 Global as a whole, as well as his or her success in meeting his or her individual objectives. Individual bonus amounts were to be recommended by the Compensation Committee for approval by the Board of Directors.

On February 7, 2017, the Compensation Committee recommended for approval by the Board of Directors, and the Board of Directors approved, funding the pool established under the 2016 Senior Management Bonus Plan (the "2016 Pool") at the 119.5% level based upon the program formula. On February 8, 2017, the Board of Directors approved the Compensation Committee's recommendation to award the following bonuses from the 2016 Pool to the named executive officers: Nehemia Zucker – \$990,000; R. Scott Turicchi – \$605,000; Jeremy D. Rossen – \$210,000; and Steve Dunn – \$136,000. The bonus levels for Messrs. Zucker, Turicchi, Rossen and Dunn were based on the overall financial performance of j2 Global for 2016.

In addition to the Senior Management Bonus Program described above, the Chief Executive Officer and President also participated in a Supplemental Deferred Compensation Bonus Program (the "Supplemental Plan") from 2010 and ending with the 2014 Supplemental Plan year which payments were approved in 2015. The Supplemental Plan was designed to further incentivize the most senior executives, who are ultimately responsible for j2 Global's performance, to achieve j2 Global's financial goals and improve its financial and operational health. The Supplemental Plan was adopted in recognition of the increased level of responsibility that the participants have assumed in light of the continued growth of j2 Global, and the increased expectations of these executives to continue to innovate and grow and promote j2 Global's vision. Under the Supplemental Plan, the Chief Executive Officer and President were eligible to receive an additional 37.5% and 25% of their base salary, respectively, in any year in which the Senior Management Bonus Plan was funded in an amount representing achievement of at least 90% of the target value.

Awards under the Supplemental Plan were determined on the date on which the level of funding of the Senior Management Bonus Plan was determined (the "Determination Date"), and were to be paid out in three equal annual installments on or around the first, second and third anniversary of the applicable Determination Date. Payments were to be made only if the recipients were active employees of the Company on the date of distribution. Notwithstanding the achievement of the funding criteria under the Supplemental Plan, the Compensation Committee and Board of Directors reserved the right to increase or decrease the amount payable under the Supplemental Plan as they deemed appropriate under the circumstances. The Supplemental Plan was discontinued in 2015, following the approval of the annual installments in respect of the 2014 Supplemental Plan year by the Board of Directors in February 2015. All amounts approved by the Board prior to the discontinuance, shall be paid on such dates as required by the Supplemental Plan.

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The following table describes the installments previously paid, and to be paid in the future, to Messrs. Zucker and Turicchi under the Supplemental Plan.

Name	Determination Date	Total Bonus	Installments paid under Supplemental Plan						2018
			February 20, 2012	March 5, 2013	March 5, 2014	March 5, 2015	February 26, 2016	March 3, 2017	
Nehemia Zucker	1/31/2011	\$ 172,125	\$ 57,375	\$ 57,375	\$ 57,375	–	–	–	–
	1/30/2012	\$ 209,625	–	\$ 69,875	\$ 69,875	\$ 69,875	–	–	–
	2/11/2013	\$ 221,625	–	–	\$ 73,875	\$ 73,875	\$ 73,875	–	–
	2/11/2014	\$ 241,571	–	–	–	\$ 80,524	\$ 80,524	\$ 80,523	–
	2/10/2015	\$ 256,072	–	–	–	–	\$ 85,358	\$ 85,357	\$ 85,357
Scott Turicchi	1/31/2011	\$ 93,750	\$ 31,250	\$ 31,250	\$ 31,250	–	–	–	–
	1/30/2012	\$ 97,500	–	\$ 32,500	\$ 32,500	\$ 32,500	–	–	–
	2/11/2013	\$ 103,250	–	–	\$ 34,417	\$ 34,417	\$ 34,416	–	–
	2/11/2014	\$ 118,738	–	–	–	\$ 39,580	\$ 39,580	\$ 39,578	–
	2/10/2015	\$ 125,943	–	–	–	–	\$ 41,981	\$ 41,981	\$ 41,981

j2 Global does not currently have any policy regarding the adjustment or recovery of awards under the bonus program in the event that the Company's financial statements are later restated or adjusted. In July 2015, in response to Congress' adoption of the Dodd Frank Wall Street Reform and Consumer Protection Act, the SEC proposed rules requiring that all public companies adopt a policy whereby, in the event of a restatement, the company will recover from current and former executives, for the three years preceding the restatement, any incentive-based compensation that would not have been awarded under the restated financial statements. The SEC has not yet adopted such rules. Upon their adoption, j2 Global will consider and adopt a policy that complies with the new requirements and, as necessary, enter into appropriate agreements with the employees covered by any such policy.

Stock-Based Compensation. Stock-based compensation awards, including stock options, restricted stock, stock appreciation rights, restricted stock units and performance shares, are designed to align the interests of executives and employees with the long-term interests of the stockholders. j2 Global approves stock-based compensation awards subject to vesting periods to retain executives and employees and encourage sustained contributions. To date, j2 Global has only awarded stock-based compensation in the form of stock options, restricted stock and restricted stock units because it believes that these forms of compensation are most likely to retain and incentivize the employees to improve stockholder value. In fiscal 2012, the Compensation Committee adopted a policy of making annual stock-based compensation awards to better align the Company's compensation practices with members of the peer groups.

In general, the Compensation Committee determines the appropriate size of stock-based compensation awards by evaluating the relative importance of the contributions of each executive and the expected future value of each award over the vesting period. The Compensation Committee also takes into account from time to time information provided by third-party compensation surveys that provide market compensation data of similarly-situated executives at similar companies. This process is designed to achieve the proper balance between incentivizing and retaining the services of our executive officers

and other key employees, while continuing to preserve stockholder value. Prior to 2012, the Compensation Committee had used a combination of (a) stock options vesting ratably over five years and having an exercise price equal to the closing market price on the date of grant and (b) restricted stock vesting over five years on the following graduated schedule on each anniversary of the date of award: 10% on the first anniversary, 15% on the second anniversary, 20% on the third anniversary, 25% on the fourth anniversary and 30% on the fifth anniversary. In fiscal 2012, to better align the Company's compensation practices with members of the peer groups, the Compensation Committee adopted a policy of having restricted stock vest ratably over the five-year vesting period, with awards vesting one-fifth on each of the first five anniversaries of the date of the award provided that the recipient is still employed by j2 Global at the applicable vesting date. In fiscal 2015, the Company re-introduced the issuance of stock options, vesting ratably over five years and having an exercise price equal to the closing market price on the date of grant, to the Chief Executive Officer and President and Chief Financial Officer. In fiscal 2016, the Compensation Committee adopted a policy whereby restricted stock issued to senior executive officers, including the named executive officers, vest with respect to (i) 50% of the restricted shares granted, ratably over the five-year vesting period, with awards vesting one-fifth on each of the first five anniversaries of the date of the award provided that the recipient is still employed by j2 Global at the applicable vesting date ("time vesting restricted shares"), and (ii) the remaining 50% of the restricted shares granted, with respect to one-fifth of such shares at each such time as j2 Common Stock remains at or above the following stock prices for at least 20 consecutive trading days: \$75, \$85, \$95, \$105, and \$115 ("performance vesting restricted shares"); provided that in the case of performance vesting restricted shares (x) no such shares shall vest prior to the first anniversary of the date of grant, whether or not any stock price condition is satisfied prior to such time and (y) the recipient is still employed by j2 Global at the applicable vesting date.

In fiscal 2016, the following stock-based compensation awards were made to the named executive officers (the "2016 Awards"):

Nehemia Zucker	25,890 time vesting restricted shares	25,890 performance vesting restricted shares
R. Scott Turicchi	17,653 time vesting restricted shares	17,652 performance vesting restricted shares
Jeremy D. Rossen	4,354 time vesting restricted shares	4,354 performance vesting restricted shares
Steve P. Dunn	3,123 time vesting restricted shares	3,122 performance vesting restricted shares

Employee Stock Purchase Plan. j2 Global offers all of its employees, including j2 Global's executive officers, the opportunity to purchase j2 Global's common stock through a tax-qualified employee stock purchase plan ("ESPP"). Under the ESPP, eligible employees can withhold up to 15% of their earnings, up to certain maximums, to be used to purchase shares of j2 Global's common stock at certain plan-defined dates. The price of j2 Global common stock purchased under the ESPP for the offering periods is equal to 95% of its fair value at the end of the offering period.

Other Compensation. j2 Global's executive officers are entitled to participate in j2 Global's health, vision, dental, life and disability insurance plans, j2 Global's innovation and patent award program and j2 Global's tax-qualified 401(k) plan, to the same extent as j2 Global's other employees. However, j2 Global bears a greater share of the cost with respect to the health, vision and dental plans offered to executives. j2 Global's innovation and patent award program provides monetary incentives for participants who submit patent ideas to the Company, or file patent applications with, or are granted patents by, the U.S. Patent and Trademark Office. Participants in the 401(k) plan are eligible to receive an annual company match up to \$500, which vests over a three-year period. In addition, j2 Global pays a higher portion of employer contributions toward premiums for executives who participate in the health, vision and dental plans.

Change in Control and Severance Arrangements. j2 Global has not provided change of control or severance arrangements to any of its executive officers, except Mr. Zucker. Mr. Zucker has an employment agreement which has no specified term and is terminable at will by either party, but provides for continued payment of salary for six months (or if earlier, to the date Mr. Zucker commences new employment) in the event of a termination by j2 Global without cause. Under Mr. Zucker's employment agreement, "cause" means (i) any act or failure to act, done or omitted in bad faith, (ii) persistent unavailability for service, habitual neglect, material misconduct (after notice and a reasonable opportunity to cure) or dishonesty, or (iii) conviction of a felony (other than ordinary traffic violations or similar minor offenses). If Mr. Zucker had been terminated without cause on December 31, 2016, he would have been entitled to receive \$392,500.

In addition, in the event of a change of control of j2 Global, each option granted under the Second Amended and Restated 1997 Stock Option Plan or the 2007 Stock Plan will become immediately exercisable in full and all outstanding restrictions on each share of restricted stock and each restricted stock unit awarded under these plans will immediately lapse in full, in each case unless the Board of Directors determines that the holder has been offered substantially identical replacement options, shares of restricted stock or restricted stock units, as the case may be, and a comparable position at the acquiring company. With respect to the 2015 Stock Plan, unless the Compensation Committee or Board of Directors determines otherwise at the time of grant, in the event a participant's employment is involuntarily terminated without cause or a participant resigns for good cause, in each case during the twenty-four month period following a change in control, each option granted under the 2015 Stock Plan will become immediately exercisable in full and all outstanding restrictions on each share of restricted stock, including time and performance based restrictions, and each restricted stock unit awarded under the 2015 Stock Plan will immediately lapse in full. Moreover, the Compensation Committee or Board of Directors may provide for awards under the 2015 Stock Plan to be cancelled in exchange for a cash payment in connection with a change in control.

Prohibition on Hedging Transactions

The Board of Directors has adopted an anti-hedging policy that prohibits officers and directors from engaging in transactions that would allow such officer or director to continue to own the Company's common stock without taking on the full risks and rewards of stock ownership. The Board of Directors believes that when such transactions occur, those directors or officers engaged in any such transactions may no longer have the same objectives as the Company's other stockholders under such circumstances and, therefore, such hedging and monetization transactions are prohibited.

Summary

After its review of all existing programs, consideration of current market and competitive conditions and alignment with j2 Global's overall compensation objectives and philosophy, the Compensation Committee believes that the total compensation program for j2 Global's executive officers is focused on increasing value for stockholders and enhancing j2 Global's performance. The Compensation Committee currently believes that, although it does not target a specific percentage as being incentive compensation, a significant portion of compensation of executive officers is properly tied to stock appreciation or stockholder value through stock-based compensation awards and annual cash incentive bonus measures. j2 Global's Compensation Committee believes that its executive compensation levels are competitive with the compensation programs offered by other corporations with which it competes for executive talent.

Notwithstanding anything to the contrary set forth in any of j2 Global's filings under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, that might incorporate future filings, including this proxy statement, in whole or in part, the following Compensation Committee Report shall not be deemed to be "Soliciting Material," is not deemed "filed" with the SEC and shall not be incorporated by reference into any filings under the Securities Act or Exchange Act whether made before or after the date hereof and irrespective of any general incorporation language in such filings.

COMPENSATION COMMITTEE REPORT

Management of j2 Global has prepared the Compensation Discussion and Analysis as required by Item 402(b) of Regulation S-K, and the Compensation Committee of the Board of Directors has reviewed and discussed it with management. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the proxy statement for j2 Global's 2017 Annual Meeting of Stockholders.

Submitted by the Compensation Committee of the Board of Directors,
Douglas Y. Bech
Robert J. Cresci
Stephen Ross

COMPENSATION RISK

The Compensation Committee has reviewed the Company's compensation policies and practices for all employees, including executive and non-executive officers, and determined that j2 Global's compensation programs do not give rise to risks reasonably likely to have a material adverse effect on the Company. The Committee noted several design features of j2 Global's cash and equity incentive programs for all executive officers in particular that reduce the likelihood of excessive risk-taking and instead encourage behaviors that support sustainable value creation:

The program design provides a balanced mix of cash and equity, annual and longer-term incentives, and performance metrics (earnings and total stockholder return).

There is a significant weighting towards long-term incentive compensation that discourages short-term risk taking.

Goals are appropriately set to avoid targets that, if not achieved, result in a large percentage loss of compensation.

The maximum funding level of the Senior Management Bonus Program is capped at 170% of target.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Messrs. Bech, Cresci and Ross served on the Compensation Committee during 2016. j2 Global has no interlocking relationships or other transactions involving any of its Compensation Committee members that are required to be reported pursuant to applicable SEC rules. No member of the Compensation Committee has ever been an officer or employee of j2 Global.

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2016 Summary Compensation Table

The table below summarizes the total compensation earned by each of the named executive officers in 2014, 2015 and 2016.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)	Stock Awards (\$)(2)	Option Awards (\$)(3)	Non-Equity Incentive Plan Compensation (\$)(1)	Change in Pension Value and Nonqualified Deferred Compensation		Total (\$)
							Earnings (\$)	Other Compensation (\$)	
Nehemia Zucker Chief Executive Officer	2016	\$ 774,167	–	\$ 3,299,939	–	\$ 990,000	–	\$ 21,804	\$ 5,085,910
	2015	\$ 729,286	–	\$ 2,300,067	\$ 593,580	\$ 1,078,403	–	\$ 21,919	\$ 4,723,255
	2014	\$ 669,548	\$ 90,000	\$ 1,879,022	–	\$ 1,069,072	–	\$ 24,048	\$ 3,731,690
Scott Turicchi ⁽⁴⁾ President and Chief Financial Officer	2016	\$ 578,333	–	\$ 2,249,988	–	\$ 605,000	–	\$ 21,804	\$ 3,433,325
	2015	\$ 537,924	–	\$ 1,700,061	\$ 350,060	\$ 638,348	–	\$ 21,919	\$ 3,248,312
	2014	\$ 493,850	\$ 75,000	\$ 1,398,362	–	\$ 592,943	–	\$ 24,048	\$ 2,584,203
Jeremy D. Rossen ⁽⁵⁾ Vice President, General Counsel and Secretary	2016	\$ 363,333	–	\$ 554,961	–	\$ 210,000	–	\$ 21,804	\$ 1,150,098
	2015	\$ 204,167	–	\$ 1,396,200	–	\$ 116,655	–	\$ 10,756	\$ 1,727,778
	2014	\$ 258,500	–	\$ 397,994	–	\$ 136,000	–	\$ 15,089	\$ 807,583
Steve P. Dunn Chief Accounting Officer	2016	\$ 243,075	–	\$ 369,710	–	\$ 151,000	–	\$ 15,251	\$ 779,036
	2015	\$ 235,394	\$ 40,000	\$ 327,761	–	\$ 107,000	–	\$ 13,166	\$ 723,321
	2014	\$ 258,500	–	\$ 397,994	–	\$ 136,000	–	\$ 15,089	\$ 807,583

Amounts reported in this column represent compensation earned in the year in which they were reported and were (1) paid in the following fiscal year.

(2) These amounts represent the grant date fair value under ASC 718 for restricted stock awards granted in 2016 and assume all performance conditions with respect to the performance vesting restricted shares have been met. The

ASC 718 value as of the grant date for stock awards is spread over the number of months of service required for the grant to become non-forfeitable. There can be no assurance that the ASC 718 amount will ever be realized. Assumptions used in the calculation of these amounts for awards granted in 2016 are included in Note 13, "Stock Options and Employee Stock Purchase Plan" to the audited financial statements for the fiscal year ended December 31, 2016, included in j2 Global's Annual Report on Form 10-K filed with the SEC on March 1, 2017.

These amounts represent the grant date fair value under ASC 718 for stock option awards granted in 2016. The ASC 718 value as of the grant date for stock option awards is spread over the vesting period. There can be no assurance that the ASC 718 amount will ever be realized. Assumptions used in the calculation of these amounts (3) for stock options granted in 2015 are included in Note 13 "Stock Options and Employee Stock Purchase Plan" to the audited financial statements for the fiscal year ended December 31, 2016, included in j2 Global's Annual Report on Form 10-K filed with the SEC on March 1, 2017.

(4) Mr. Turicchi was appointed Chief Financial Officer in August 2014.

(5) Mr. Rossen commenced employment as Vice President, General Counsel in June 2015 and was appointed Secretary in November 2015.

2016 All Other Compensation

The following table and related footnotes describe each component of the column entitled "All Other Compensation" in the Summary Compensation Table.

Name	Year	Perquisites and Other Personal Benefits (\$)	Tax Reimbursements (\$)	Insurance Premiums (\$)	Company Contributions to Retirement and 401(k) Plans (\$)	Change in Control Severance Payments Payments// Accruals ⁽⁸⁾ (\$)	Change in Control Accruals (\$)	Other	Total (\$)
Nehemia Zucker	2016	–	–	\$ 21,303 ⁽¹⁾	\$ 500	–	–	–	\$ 21,804
	2015	–	–	\$ 21,419 ⁽²⁾	\$ 500	–	–	–	\$ 21,919
	2014	–	–	\$ 23,548 ⁽³⁾	\$ 500	–	–	–	\$ 24,048
R. Scott Turicchi	2016	–	–	\$ 21,303 ⁽¹⁾	\$ 500	–	–	–	\$ 21,804
	2015	–	–	\$ 21,419 ⁽²⁾	\$ 500	–	–	–	\$ 21,919
	2014	–	–	\$ 23,548 ⁽³⁾	\$ 500	–	–	–	\$ 24,048
Jeremy D. Rossen	2016	–	–	\$ 21,303 ⁽³⁾	\$ 500	–	–	–	\$ 21,804
	2015	–	–	\$ 10,318 ⁽⁴⁾	\$ 437	–	–	–	\$ 10,756
Steve P. Dunn	2016	–	–	\$ 14,589 ⁽⁵⁾	\$ 500	–	–	–	\$ 15,089
	2015	–	–	\$ 14,751 ⁽⁶⁾	\$ 500	–	–	–	\$ 15,251
	2014	–	–	\$ 12,666 ⁽⁷⁾	\$ 500	–	–	–	\$ 13,166

Consists of \$21,253 in medical, dental and vision insurance premium contributions and \$51 in life insurance (1) premium contributions for \$25,000 in life insurance benefits.

Consists of \$21,371 in medical, dental and vision insurance premium contributions and \$48 in life insurance (2) premium contributions for \$15,000 in life insurance benefits.

Consists of \$23,510 in medical, dental and vision insurance premium contributions and \$38 in life insurance (3) premium contributions for \$15,000 in life insurance benefits.

Consists of \$10,288 in medical, dental and vision insurance premium contributions and \$30 in life insurance (4) premium contributions for \$15,000 in life insurance benefits.

Consists of \$14,538 in medical, dental and vision insurance premium contributions and \$51 in life insurance (5) premium contributions for \$25,000 in life insurance benefits.

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Consists of \$14,703 in medical, dental and vision insurance premium contributions and \$48 in life insurance (6) premium contributions for \$15,000 in life insurance benefits.

Consists of \$12,628 in medical, dental and vision insurance premium contributions and \$38 in life insurance (7) premium contributions for \$15,000 in life insurance benefits.

2016 Grants of Plan-Based Awards Table

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units(#)	All Other Option Awards: Number of Securities Underlying Options (#)
		Threshold ⁽¹⁾ (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Nehemia Zucker	5/9/2016 ⁽²⁾	431,750	863,500	1,467,950	–	–	–	–	–
	5/9/2016	–	–	–	–	–	–	51,780 ⁽³⁾	–
R. Scott Turicchi	5/9/2016 ⁽²⁾	265,500	531,000	902,700	–	–	–	–	–
	5/9/2016	–	–	–	–	–	–	35,305 ⁽³⁾	–
Jeremy D. Rossen	5/9/2016 ⁽²⁾	92,500	185,000	314,500	–	–	–	–	–
	5/9/2016	–	–	–	–	–	–	8,708 ⁽³⁾	–
Steve P. Dunn	5/9/2016 ⁽²⁾	66,250	132,500	225,250	–	–	–	–	–
	5/9/2016	–	–	–	–	–	–	6,245 ⁽³⁾	–

The Senior Management Bonus Program is only funded if at least 96% of the Threshold Earnings Targets were achieved in a manner consistent with the Other Corporate Objectives, as more fully described in the "Compensation Discussion and Analysis – Bonus" above. If less than 96% of the Operating Income Targets were achieved, the bonus pool would not be funded at all and the named executive officers would not receive any bonus under the Senior Management Bonus Program.

These amounts were calculated based on each named executive officer's contribution to the bonus pool under the Senior Management Bonus Program. Although these amounts serve as a baseline for individual bonus awards, individual bonuses are granted at the discretion of the Compensation Committee in accordance with the methodology outlined under "Compensation Discussion and Analysis – Bonus" above.

50% of this restricted stock award vests in five equal installments on each anniversary of the grant date, with the first installment vesting on May 9, 2017 provided that the recipient is still employed by j2 Global at the applicable vesting date, and 50% of this stock award vests with respect to one-fifth of such shares at each such time as j2 Common Stock remains at or above the following stock prices for at least 20 consecutive trading days: \$75, \$85,

\$95, \$105, and \$115 provided, with respect to this second 50% that (a) no such shares shall vest prior to the first anniversary of the date of grant and (b) the recipient is still employed by j2 Global at the applicable vesting date.

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Outstanding Equity Awards at Fiscal Year-End 2016

The following table provides information on the holdings of stock options and restricted stock by the named executive officers at December 31, 2016.

Name	Option Awards			Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Stock Awards		Unrestricted Restricted Stock (#)
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Exercisable				Unexercisable	Number of Shares or Units of Stock That Have Not Vested (#)	
Nehemia Zucker	7,800	31,200	—	—	\$67.35	5/6/2025 ⁽²⁾	131,579 ⁽⁴⁾	\$10,763,162	—
R. Scott Turicchi	20,000	—	—	—	\$17.19	3/5/2019 ⁽³⁾	94,964 ⁽⁵⁾	\$7,768,055	—
	4,600	18,400	—	—	\$67.35	5/6/2025 ⁽²⁾			
Jeremy D. Rossen	—	—	—	—	—	—	24,708 ⁽⁶⁾	\$2,021,114	—
Steve P. Dunn	—	—	—	—	—	—	18,909 ⁽⁷⁾	\$1,546,756	—

The market value is determined by multiplying the number of shares by \$81.80, the closing trading price of j2 Global common stock on the Nasdaq Global Select Market on December 30, 2016, the last trading day of the fiscal year.

The option was granted on May 6, 2015. The option vests and becomes exercisable in five equal annual installments. The first installment vested on May 6, 2016. The option becomes fully vested on May 6, 2020.

The option was granted on March 5, 2009. The option vested and became exercisable in five equal annual installments. The first installment vested on March 5, 2010. The option became fully vested on March 5, 2014.

(4)

Consists of the unvested restricted stock with respect to the following restricted stock awards: (a) 53,000 restricted shares of j2 Global common stock granted on August 14, 2012 that vest in five equal annual installments on each anniversary of the grant date, beginning on August 14, 2013; (b) 40,908 restricted shares of j2 Global common stock granted on May 10, 2013 that vest in five equal annual installments on each anniversary of the grant date, beginning on May 10, 2014; (c) 42,435 restricted shares of j2 Global common stock granted on May 6, 2014 that vest in five equal annual installments on each anniversary of the grant date, beginning on May 6, 2015; (d) 34,217 restricted shares of j2 Global common stock granted on May 5, 2015 that vest in five equal annual installments on each anniversary of the grant date, beginning on May 5, 2016; (e) 25,890 restricted shares of j2 Global common stock granted on May 9, 2016 that vest in five equal annual installments on each anniversary of the grant date, beginning on May 9, 2017; and (f) 25,890 restricted shares of j2 Global common stock granted on May 9, 2016 that have vesting conditions based on specified stock price targets of the Company's common stock.

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Consists of the unvested restricted stock with respect to the following restricted stock awards: (a) 42,000 restricted shares of j2 Global common stock granted on August 14, 2012 that vest in five equal annual installments on each anniversary of the grant date, beginning on August 14, 2013; (b) 30,194 restricted shares of j2 Global common stock granted on May 10, 2013 that vest in five equal annual installments on each anniversary of the grant date, beginning on May 10, 2014; (c) 31,580 restricted shares of j2 Global common stock granted on May 6, 2014 that vest in five equal annual installments on each anniversary of the grant date, beginning on May 6, 2015; (d) 25,291 restricted shares of j2 Global common stock granted on May 5, 2015 that vest in five equal annual installments on each anniversary of the grant date, beginning on May 5, 2016; (e) 17,653 restricted shares of j2 Global common stock granted on May 9, 2016 that vest in five equal annual installments on each anniversary of the grant date, beginning on May 9, 2017; and (f) 17,652 restricted shares of j2 Global common stock granted on May 9, 2016 that have vesting conditions based on specified stock price targets of the Company's common stock.

Consists of the unvested restricted stock with respect to the following restricted stock awards: (a) 20,000 restricted shares of j2 Global common stock granted on August 3, 2015 that vest in five equal annual installments on each anniversary of the grant date, beginning on August 3, 2016; (b) 4,354 restricted shares of j2 Global common stock granted on May 9, 2016 that vest in five equal annual installments on each anniversary of the grant date, beginning on May 9, 2017; and (c) 4,354 restricted shares of j2 Global common stock granted on May 9, 2016 that have vesting conditions based on specified stock price targets of the Company's common stock.

Consists of the unvested restricted stock with respect to the following restricted stock awards: (a) 4,500 restricted shares of j2 Global common stock granted on August 14, 2012 that vest in five equal annual installments on each anniversary of the grant date, beginning on August 14, 2013; (b) 7,305 restricted shares of j2 Global common stock granted on May 10, 2013 that vest in five equal annual installments on each anniversary of the grant date, beginning on May 10, 2014; (c) 7,402 restricted shares of j2 Global common stock granted on May 6, 2014 that vest in five equal annual installments on each anniversary of the grant date, beginning on May 6, 2015; (d) 5,500 restricted shares of j2 Global common stock granted on May 5, 2015 that vest in five equal annual installments on each anniversary of the grant date, beginning on May 5, 2016; (e) 3,123 restricted shares of j2 Global common stock granted on May 9, 2016 that vest in five equal annual installments on each anniversary of the grant date, beginning on May 9, 2017; and (f) 3,122 restricted shares of j2 Global common stock granted on May 9, 2016 that have vesting conditions based on specified stock price targets of the Company's common stock.

Option Exercises and Stock Vested in 2016

The following table sets forth certain information with respect to stock options exercised and vested stock awards by j2 Global's executive officers during the fiscal year ended December 31, 2016.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Nehemia Zucker	—	—	34,112	\$2,240,781
R. Scott Turicchi	—	—	25,813	\$1,696,955
Jeremy D. Rossen	—	—	4,000	\$270,600
Steve P. Dunn	1,000	\$ 45,878	6,441	\$430,879

Equity Compensation Plan Information

The following table provides information as of December 31, 2016, regarding shares outstanding and available for issuance under j2 Global's existing stock option plans:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	413,858 ⁽¹⁾	\$31.09	5,365,180 ⁽²⁾
Equity compensation plans not approved by security holders	—	—	—

Consists of shares issued upon exercise of stock options under the 2015 Stock Plan, the Second Amended and (1) Restated 1997 Stock Option Plan and the 2007 Stock Plan.

Of these, as of December 31, 2016, 3,738,654 shares remained available for grant under the 2015 Stock Plan and 1,626,526 shares remained available for grant under the 2001 Employee Stock Purchase Plan. The Second Amended and Restated 1997 Stock Option Plan terminated on October 24, 2007, and no additional shares were available for grant under that plan after the termination date. Upon the adoption of the 2015 Stock Plan, the Board (2) of Directors adopted a resolution providing that no further stock-based awards shall be granted under the 2007 Stock Plan.

Potential Payments Upon Termination or Change in Control

j2 Global has not provided change of control or severance arrangements to any of its executive officers, except Mr. Zucker. Mr. Zucker has an employment agreement which has no specified term and is terminable at will by either party. The agreement provides for continued payment of salary for six months (or if earlier, to the date Mr. Zucker commences new employment) in the event of a termination by j2 Global without cause. Under Mr. Zucker's employment agreement, "cause" means (i) any act or failure to act, done or omitted in bad faith, (ii) persistent unavailability for service, habitual neglect, material misconduct (after notice and a reasonable opportunity to cure) or dishonesty, or (iii) conviction of a felony (other than ordinary traffic violations or similar minor offenses). If Mr. Zucker had been terminated without cause on December 31, 2016, he would have been entitled to receive \$392,500.

In the event of a change of control of j2 Global, each option granted under the Second Amended and Restated 1997 Stock Option Plan or the 2007 Stock Plan will become immediately vested and exercisable in full and all outstanding restrictions on each share of restricted stock and each restricted stock unit shall immediately be canceled in full unless the Board of Directors determines that the holder has been offered substantially identical replacement options, replacement shares of restricted stock or replacement restricted stock units, as the case may be, and a comparable position at the acquiring company. With respect to the 2015 Stock Plan, unless the Compensation Committee or Board

of Directors determines otherwise at the time of grant, in the event a participant's employment is involuntarily terminated without cause or a participant resigns for good reason, in each case during the

twenty-four month period following a change in control, each option granted under the 2015 Stock Plan will become immediately exercisable in full and all outstanding restrictions on each share of restricted stock, including time and performance based restrictions, and each restricted stock unit awarded under the 2015 Stock Plan will immediately lapse in full. Moreover, the Compensation Committee or Board of Directors may provide for awards under the 2015 Stock Plan to be cancelled in exchange for a cash payment in connection with a change in control.

As of December 31, 2016, the named executive officers would have realized the following gains from the acceleration of unvested stock options, measured by the difference between the closing price of j2 Global common stock on the Nasdaq Global Select Market on December 30, 2016, or \$81.80, and the option grant price, multiplied by the number of options that remain subject to vesting: Nehemia Zucker – \$450,840; and R. Scott Turicchi – \$265,880.

In addition, the named executive officers would have realized the following gains from the acceleration of unvested restricted stock, measured by multiplying the number of unvested restricted shares by the closing price of j2 Global common stock on the Nasdaq Global Select Market on December 30, 2016, or \$81.80: Nehemia Zucker – \$10,763,162; R. Scott Turicchi – \$7,768,055; Jeremy D. Rossen – \$2,021,114; and Steve P. Dunn – \$1,546,756.

Notwithstanding anything to the contrary set forth in any of j2 Global's filings under the Securities Act or the Exchange Act that might incorporate future filings, including this proxy statement, in whole or in part, the following Audit Committee Report shall not be deemed to be "Soliciting Material," is not deemed "filed" with the SEC and shall not be incorporated by reference into any filings under the Securities Act or Exchange Act whether made before or after the date hereof and irrespective of any general incorporation language in such filings.

AUDIT COMMITTEE REPORT

j2 Global's management has the primary responsibility for establishing and maintaining adequate internal financial controls, for preparing the financial statements and for the public reporting process. BDO, j2 Global's independent auditor for 2016, was responsible for expressing opinions on the conformity of j2 Global's 2016 audited financial statements with generally accepted accounting principles and on the effectiveness of j2 Global's internal control over financial reporting as of December 31, 2016. The Audit Committee reviewed j2 Global's financial reporting process on behalf of the Board of Directors. As part of this review for fiscal 2016, the Audit Committee met privately with BDO and j2 Global's internal auditors to discuss the Company's financial statements and disclosures, accounting policies and their application, internal controls over financial reporting, and other matters of importance to the Audit Committee, BDO or the internal auditors.

In this context, the Audit Committee reviewed and discussed with management and BDO the audited financial statements for the year ended December 31, 2016, j2 Global's internal control over financial reporting and BDO's evaluation of j2 Global's internal control over financial reporting. The Audit Committee discussed with BDO the matters required to be discussed by Auditing Standard No. 61, Communication with Audit Committees, as adopted by the Public Company Accounting Oversight Board. The Audit Committee has received the written disclosures and the letter from BDO required by applicable requirements of the Public Company Accounting Oversight Board regarding BDO's communications with the Audit Committee concerning independence, and has discussed with BDO that firm's independence. The Audit Committee concluded that BDO's provision of audit and non-audit services to j2 Global and its affiliates through December 31, 2016, was compatible with BDO's independence.

Based on the considerations referred to above, the Audit Committee recommended to j2 Global's Board of Directors that the audited financial statements for the fiscal year ended December 31, 2016, be included in j2 Global's Annual Report on Form 10-K for 2016.

Submitted by the Audit Committee of
j2 Global's Board of Directors,

W. Brian Kretzmer, Chairman
Jonathan F. Miller
Stephen Ross

INFORMATION ABOUT j2 GLOBAL'S AUDITORS

Audit Fees

The fees billed to j2 Global by BDO for services rendered relating to fiscal 2016 and 2015 are set forth below.

	2016	2015
Audit Fees ^(a)	\$ 1,811,893	\$ 1,368,501
Audit-Related Fees ^(b)	104,186	13,629
Tax Fees ^(c)	136,224	25,942
All Other Fees ^(d)	27,864	5,985
Total	\$ 2,080,166	\$ 1,414,057

Audit fees included amounts billed or to be billed for professional services rendered for the audit of j2 Global's annual financial statements, the review of j2 Global's financial statements included in j2 Global's quarterly reports, (a) and the audits of j2 Global's internal control over financial reporting, statutory and subsidiary audits, the review of documents filed with the SEC and certain accounting consultations in connection with the audits.

(b) Audit-related fees included amounts billed for audits in respect of our international subsidiaries.

Tax fees consisted principally of professional services rendered for tax compliance and tax planning and advice (c) including assistance with tax audits and appeals and tax advice related to mergers and acquisitions.

All Other Fees included amounts billed for compilation services in respect of our international subsidiaries. (d)

SingerLewak served as j2 Global's independent auditors through the first quarter of fiscal 2014. The fees billed to j2 Global by SingerLewak for services rendered relating to fiscal 2015 are set forth below.

	2015
Audit Fees ^(a)	\$ 36,613
Audit-Related Fees ^(b)	14,305
Tax Fees	¾
All Other Fees	¾
Total	\$ 50,918

Audit fees included amounts billed or to be billed for professional services rendered for the audit of j2 Global's annual financial statements, the review of j2 Global's financial statements included in j2 Global's quarterly reports, (a) and the audits of j2 Global's internal control over financial reporting, statutory and subsidiary audits, the review of documents filed with the SEC, and certain accounting consultations in connection with the audits.

(b) Audit-related fees included amounts billed for audits of certain employee benefit plans' financial statements.

Availability of Representatives of Independent Accountant at the Annual Meeting

Representatives of BDO are expected to be present at the Annual Meeting, and will have the opportunity to make a statement at the meeting if they desire to do so. In addition, they are expected to be available at the meeting to respond to appropriate questions.

Pre-Approval Procedure for Services

The Audit Committee pre-approves all audit and non-audit services. Requests for the independent auditors to provide any services to j2 Global must be submitted to the Audit Committee by both the independent auditors and the Chief Financial Officer and must be pre-approved. The Audit Committee may delegate pre-approval authority to one or more of its members.

REVIEW AND APPROVAL OF TRANSACTIONS WITH RELATED PERSONS

j2 Global has adopted a written policy requiring disclosure by certain employees, including all executive officers, of all transactions involving j2 Global, if the employee or a family member, significant other, employer or close associate will receive a benefit or gain. All such transactions are reviewed by the Chief Executive Officer and/or President and/or the Board of Directors, as appropriate. The employee with an interest in the transaction may be asked to recuse himself or herself from any discussion and/or final decision relating to the transaction and/or any oversight of any ongoing relationship associated with such transaction.

Any proposed transactions requiring disclosure as discussed above may only proceed or continue if j2 Global determines that it will realize at least the same business advantage from the transaction as it would from operating at arms-length with any third party or, alternatively, that the transaction does not represent an actual conflict of interest.

In addition, j2 Global's Board of Directors has a policy that all transactions between a Board member or family member of a Board member and j2 Global be approved by a majority of members of the Board of Directors with the interested Board member recusing himself from such vote.

In addition, the j2 Global Board of Directors has adopted a written policy governing the approval of Related-Party Transactions (the "RPT Policy"). "Related-Party Transactions" include any transaction or relationship directly or indirectly involving a director or director nominee, executive officer, a 5% stockholder of the Company or any person known by the Company to be an immediate family member of any of the foregoing individuals that would need to be disclosed under Item 404(a) of Regulation S-K. Such transactions do not include, however, indemnification payments, ordinary course business expenses or reimbursements or compensation paid to directors and executive officers for their services as directors and executive officers.

The RPT Policy prohibits all Related-Party Transactions unless they are approved or ratified by the Corporate Governance and Nominating Committee. If a transaction or relationship constitutes a Related-Party Transaction, the Committee will then review the transaction or relationship to determine whether to approve or ratify the transaction. In making its determination, the Committee considers several factors including, but not limited to:

- whether the terms of the Related-Party Transaction are fair to j2 Global and on the same basis as would apply if the transaction did not involve a related party;
- whether j2 Global has business reasons to enter into the transaction or relationship;
- whether the transaction or relationship will impair the independence of an outside director;
- the materiality of the transaction or relationship, taking into account the importance of the interest to the related party, the dollar amount involved and the significance of the transaction to j2 Global and its investors in light of all the circumstances;
- whether the transaction or relationship raises any disclosure or reputational issues; and
- whether the transaction or relationship presents an improper conflict of interest for any director or executive officer of j2 Global.

Since January 1, 2016, j2 Global has not been a party to any transaction that would require disclosure pursuant to Item 404(a) of Regulation S-K.

DEADLINE FOR SUBMITTING STOCKHOLDER PROPOSALS AND DIRECTOR NOMINATIONS FOR THE NEXT ANNUAL MEETING

Under Rule 14a-8 of the Exchange Act, certain stockholder proposals may be eligible for inclusion in j2 Global's proxy statement and form of proxy. The date by which stockholder proposals must be received by j2 Global so that they may be considered for inclusion in the proxy statement and form of proxy for j2 Global's 2018 Annual Meeting of Stockholders is November 23, 2017 (or if the date of the next j2 Global annual meeting of stockholders is changed by more than 30 days from the date of the Annual Meeting, a reasonable time before j2 Global begins to print and mail its proxy materials). Assuming j2 Global holds the 2018 Annual Meeting of Stockholders on the anniversary of the Annual Meeting, stockholder proposals which a stockholder does not seek to include in the proxy statement and form of proxy pursuant to Rule 14a-8 of the Exchange Act must be received by j2 Global no earlier than February 3, 2018, and no later than March 5, 2018 (unless there are fewer than 70 days between the date the next annual meeting is announced and the date it is held, in which case such advance notice must be given not more than 10 days after the date of the announcement).

Notice of a stockholder's intent to nominate candidates for election as directors must be submitted within the deadline for submission of stockholder proposals. Stockholder proposals or notices of intent to nominate candidates for election as directors should be submitted to j2 Global, Inc. at its principal executive offices at 6922 Hollywood Boulevard, Suite 500, Los Angeles, California 90028.

COST OF ANNUAL MEETING AND PROXY SOLICITATION

j2 Global is paying the expenses of this solicitation. j2 Global also will reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in sending proxy material to principals and obtaining their instructions. In addition to solicitation by mail, the directors, officers and employees may solicit proxies in person or by telephone, fax, email or similar means.

HOUSEHOLDING

As permitted by the Exchange Act, only one copy of this proxy statement or Notice of Internet Availability of Proxy Materials, as applicable, is being delivered to stockholders residing at the same address, unless such stockholders have notified j2 Global of their desire to receive multiple copies of the proxy statement or Notice of Internet Availability of Proxy Materials, as applicable.

j2 Global will promptly deliver, upon oral or written request, a separate copy of the proxy statement or Notice of Internet Availability of Proxy Materials, or annual reports, proxy statements or Notices of Internet Availability of Proxy Materials in the future, to any stockholder residing at an address to which only one copy was mailed. Additionally, stockholders sharing an address may request delivery of a single copy of annual reports, proxy statements or Notices of Internet Availability of Proxy Materials if they are receiving multiple copies of such documents. All such requests should be directed to j2 Global's Secretary, 6922 Hollywood Boulevard, Suite 500, Los Angeles, California 90028, (323) 860-9200.

OTHER MATTERS

The Board of Directors knows of no other business that will be presented at 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 as the proxy holders deem advisable.

It is important that the proxies be returned promptly and that your shares be represented. Stockholders are urged to mark, date, sign and promptly return the accompanying proxy card in the enclosed envelope or, for stockholders who own j2 Global stock through a bank or broker that provides for voting by telephone or over the Internet, submit voting instructions by telephone or the Internet.

The form of proxy and this proxy statement have been approved by the Board of Directors and are being mailed and delivered to stockholders by its authority.

By Order of the Board of Directors,

Richard S. Ressler
Chairman of the Board

Los Angeles, California
Dated: March 23, 2017

