

IDT CORP
Form DEF 14A
November 04, 2003

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the registrant

Filed by a party other than the registrant

Check the appropriate box:

- | | | | |
|-------------------------------------|---|--------------------------|---|
| <input type="checkbox"/> | Preliminary proxy statement | <input type="checkbox"/> | Confidential, for Use of the Commission Only (as permitted by Rule 14-a6(e)(2)) |
| <input checked="" type="checkbox"/> | Definitive proxy statement | | |
| <input type="checkbox"/> | Definitive additional materials | | |
| <input type="checkbox"/> | Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12 | | |

IDT Corporation

(Exact Name of Registrant as specified in its Charter)

Payment of filing fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rule 14a-6(i)(1), and 0-11.

(1) Title of each class of securities to which transaction applies:

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- (2) Aggregate number of securities to which transactions applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

- (4) Proposed maximum aggregate value of transaction:

- (5) Total fee paid:
 - .. Fee paid previously with preliminary materials.

 - .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

- (1) Amount previously paid:
 - (2) Form, schedule or registration statement no.:

 - (3) Filing party:

 - (4) Date filed:

Howard S. Jonas

Chairman of the Board of Directors

IDT Corporation

520 Broad Street

Newark, NJ 07102

November 12, 2003

To Our Stockholders:

On behalf of the Board of Directors, I cordially invite you to attend the Annual Meeting of the Stockholders of IDT Corporation. The Annual Meeting will be held at 11:00 a.m. on Monday, December 15, 2003, at the Company's headquarters located at 520 Broad Street, Newark, New Jersey.

Please vote on all the matters listed in the enclosed Notice of Annual Meeting of Stockholders, each of which is more fully described in the enclosed Proxy Statement. The Board of Directors recommends a vote FOR all of these proposals.

All stockholders are invited to attend the Annual Meeting in person. If, however, you do not expect to be present at the Annual Meeting and wish your shares to be voted, you should complete, sign and date the enclosed form of proxy and return it by mail in the enclosed envelope or grant your proxy by telephone or the Internet as set forth on the form of proxy attached to the Proxy Statement.

I appreciate your interest and support of IDT and urge you to vote your shares either in person or by granting your proxy as promptly as possible.

Sincerely,

Howard S. Jonas

Chairman of the Board of Directors

IDT CORPORATION

520 Broad Street

Newark, New Jersey 07102

(973) 438-1000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting (the "Annual Meeting") of Stockholders of IDT Corporation (the "Company") will be held at 11:00 a.m., local time, on Monday, December 15, 2003, at the Company's headquarters located at 520 Broad Street, Newark, New Jersey, for the following purposes:

1. **ELECTION OF DIRECTORS.** The election of four Class II directors for a term of three years, which will expire at the Company's annual meeting of stockholders in 2006 or until such time as their respective successors are duly elected and qualified, subject to their earlier resignation or removal;
2. **APPROVAL OF AMENDMENTS TO THE COMPANY'S 1996 STOCK OPTION AND INCENTIVE PLAN, AS AMENDED AND RESTATED.** The approval of amendments to the Company's 1996 Stock Option and Incentive Plan, as amended and restated (the "Plan"), that will (i) permit the grant of deferred stock units under the Plan, (ii) permit the grant of restricted stock to non-employee directors and (iii) increase the number of shares of the Company's Class B Common Stock available for the grant of awards under the Plan by an additional 3,000,000 shares;
3. **APPROVAL OF THE COMPANY'S EMPLOYEE STOCK PURCHASE PLAN.** The approval of the Company's Employee Stock Purchase Plan;
4. **APPROVAL OF THE GRANT OF OPTIONS TO PURCHASE SHARES OF THE COMPANY'S CLASS B COMMON STOCK TO CERTAIN OFFICERS AND DIRECTORS OF THE COMPANY.** The approval of the grant of options to purchase up to an aggregate of 965,000 shares of the Company's Class B Common Stock granted outside of the Plan to certain officers and directors of the Company;
5. **RATIFICATION OF THE APPOINTMENT OF INDEPENDENT AUDITORS.** The ratification of the appointment of Ernst & Young LLP as the independent auditors for the Company for the fiscal year ending July 31, 2004; and
6. **OTHER BUSINESS.** Such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

These matters are more fully described in the Proxy Statement accompanying this Notice.

Only stockholders of record at the close of business on October 20, 2003 are entitled to notice of and to vote at the Annual Meeting.

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BY ORDER OF THE BOARD OF DIRECTORS

Joyce J. Mason

Senior Vice President, General Counsel and Secretary

Newark, New Jersey

November 12, 2003

IDT CORPORATION

520 Broad Street

Newark, New Jersey 07102

(973) 438-1000

PROXY STATEMENT

General Information

This Proxy Statement is furnished to the stockholders of IDT Corporation, a Delaware corporation (the "Company" or "IDT"), in connection with the solicitation by the Company's Board of Directors of proxies in the form enclosed herewith for use in voting at the Company's Annual Meeting of Stockholders (the "Annual Meeting"). The Annual Meeting will be held on Monday, December 15, 2003 at 11:00 a.m., local time, at the Company's headquarters located at 520 Broad Street, Newark, New Jersey 07102. The shares of the Company's common stock, par value \$0.01 per share (the "Common Stock"), Class A common stock, par value \$0.01 per share (the "Class A Common Stock"), and Class B common stock, par value \$0.01 per share (the "Class B Common Stock"), represented by the proxies received by telephone, Internet or mail (properly marked, dated and executed) and not revoked will be voted at the Annual Meeting. This Proxy Statement is being mailed to the Company's stockholders on or about November 12, 2003.

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is exercised by delivering to the Company (to the attention of Joyce J. Mason, Senior Vice President, General Counsel and Secretary) a written notice of revocation or by executing a later-dated proxy by telephone, Internet or mail, or by attending the Annual Meeting and voting in person.

Solicitation and Voting Procedures

This solicitation of proxies is being made by the Company. The solicitation is being conducted by mail, and the Company will bear all attendant costs. These costs will include the expense of preparing and mailing proxy materials for the Annual Meeting and any reimbursements paid to brokerage firms and others for their expenses incurred in forwarding the solicitation materials regarding the Annual Meeting to the beneficial owners of the Common Stock, Class A Common Stock and Class B Common Stock. The Company may conduct further solicitations personally, by telephone or by facsimile through its officers, directors and employees, none of whom will receive additional compensation for assisting with the solicitation.

The close of business on Monday, October 20, 2003 has been fixed as the record date (the "Record Date") for determining the holders of shares of Common Stock, Class A Common and Class B Common Stock entitled to notice of and to vote at the Annual Meeting. As of the close of business on the Record Date, the Company had 92,306,780 shares outstanding, of which 83,133,135 shares are entitled to vote at the Annual Meeting, consisting of 22,067,468 shares of Common Stock, 9,816,988 shares of Class A Common Stock and 51,248,679 shares of Class B Common Stock. The remaining 9,173,645 shares outstanding, consisting of 3,007,392 shares of Common Stock and 6,166,233 shares of Class B Common Stock, are beneficially owned by the Company, and are not entitled to vote or be counted for quorum purposes.

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Each holder of Common Stock is entitled to one vote per share, each holder of Class A Common Stock is entitled to three votes per share and each holder of Class B Common Stock is entitled to one-tenth of a vote per share. The holders of Common Stock, Class A Common Stock and Class B Common Stock will vote as a single body on all matters presented to the stockholders. The presence at the Annual Meeting of a majority of the voting power of the outstanding Common Stock, Class A Common Stock and Class B Common Stock (voting together), either in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting.

A plurality of the votes cast at the Annual Meeting will be required for the election of each candidate to the Board of Directors and a majority of the votes cast at the Annual Meeting will be required for the approval of all other matters submitted to the vote of the Company's stockholders.

With respect to Proposal Nos. 1 and 5, abstentions and broker non-votes will be included in determining whether a quorum is present, but will not be counted as votes for or against these proposals. With respect to Proposal Nos. 2, 3 and 4, pursuant to applicable New York Stock Exchange rules, abstentions will be included, but broker non-votes will not be included, in determining whether a quorum is present, and neither abstentions nor broker non-votes will be counted as votes for or against these proposals.

References to Fiscal Years

The Company's fiscal year ends on July 31 of each calendar year. Each reference below to a Fiscal Year refers to the Fiscal Year ending in the calendar year indicated (e.g., Fiscal 2003 refers to the Fiscal Year ended July 31, 2003).

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Stock (and Class A Common Stock, assuming conversion of all shares of Class A Common Stock into Common Stock) and Class B Common Stock by (i) each person known by the Company to be the beneficial owner of more than 5% of the outstanding shares of the Common Stock (and Class A Common Stock, on an as-converted basis) or the Class B Common Stock, (ii) each of the Company's directors and the Named Executive Officers (as defined below), and (iii) all directors and executive officers of the Company as a group. Information regarding the beneficial ownership of equity securities of Net2Phone, Inc., a publicly-traded subsidiary of the Company (Net2Phone), and IDT Media, Inc. (IDT Media) and IDT Telecom, Inc. (IDT Telecom) privately-held subsidiaries of the Company, by each of the Company's directors, each Named Executive Officer and all directors and executive officers of the Company as a group is noted in footnotes to the table. Unless otherwise noted in the footnotes to the table, to the best of the Company's knowledge, the persons named in the table have sole voting and investing power with respect to all shares indicated as being beneficially owned by them. Each holder of Common Stock is entitled to one vote per share, each holder of Class A Common Stock is entitled to three votes per share and each holder of Class B Common Stock is entitled to one-tenth of a vote per share.

The security ownership information is given as of October 24, 2003 and, in the case of percentage ownership information, is based on (i) 22,067,468 shares of Common Stock, (ii) 9,816,988 shares of Class A Common Stock, and (iii) 51,335,929 shares of Class B Common Stock.

	Number of Shares of Common Stock	Percentage of Ownership of Common Stock	Number of Shares of Class B Common Stock	Percentage of Ownership of Class B Common Stock	Percentage of Aggregate Voting Power
Howard S. Jonas(1) 520 Broad Street Newark, New Jersey 07102	11,643,170	36.5%	6,150,156	12.0%	56.3%
Liberty Media Corporation(2) 12300 Liberty Boulevard Englewood, Colorado 80112			10,260,303	20.0%	1.8%
Greenlight Capital, L.L.C. and David Einhorn(3) 420 Lexington Avenue, Suite 1740 New York, New York 10170			3,793,400	7.4%	*
James A. Courter(4)(19)	1,306	*	1,962,674	3.7%	*
Stephen R. Brown(5)(19)	2,078	*	219,998	*	*
Moshe Kaganoff(6)(20)	1,152	*	24,000	*	*
Joyce J. Mason(7)(20)	16,416	*	281,819	*	*
Marc E. Knoller(8)	1,236	*	177,500	*	*
Jonathan Levy(9)(19)	1,147	*	107,872	*	*
Morris Lichtenstein(10)(19)	893	*	302,998	*	*
Rudy Boschwitz(11)			40,000		
J. Warren Blaker(12)		*	118,000	*	*
Saul K. Fenster(13)	500	*	61,500	*	*
William A. Owens(14)	498	*	40,498	*	*
William F. Weld(15)		*	40,000	*	*
Jack Kemp(16)(20)			90,000	*	*

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Michael J. Levitt(17)			60,000		*	*
James S. Gilmore, III(18)			20,000		*	*
All directors and executive officers as a group (20 persons)(19)(20)	11,672,361	36.6%	10,120,388	18.3%		56.7%

* Less than 1%.

(1) Includes an aggregate of 9,816,988 shares of Class A Common Stock and 6,150,156 shares of Class B Common Stock and 1,826,182 shares of Common Stock, consisting of (a) 8,094,330 shares of Class A

Common Stock and 2,998,390 shares of Class B Common Stock held by Mr. Jonas directly, (b) 19,570 shares of Class A Common Stock and 19,570 shares of Class B Common Stock beneficially owned by The Jonas Family Limited Partnership, (c) an aggregate of 1,703,088 shares of Class A Common Stock and 1,703,088 shares of Class B Common Stock beneficially owned by the eight separate Trusts under Article Four of the Howard S. Jonas 1996 Annuity Trust Agreement for the benefit of each of: Samuel Jonas, David Jonas, Michael Jonas, Leora Jonas, Jonathan Jonas, Rachel Jonas, Joseph Jonas and Tamar Jonas in equal amounts of 212,886 shares of Class A Common Stock and 212,886 shares of Class B Common Stock, (d) 229,108 shares of Class B Common Stock beneficially owned by the Howard S. Jonas 1998 Annuity Trust, (e) 1,825,142 shares of Common Stock and 1,200,000 shares of Class B Common Stock beneficially owned by the Jonas Foundation and (f) 1,040 shares of Common Stock held by Mr. Jonas in his 401(k) plan. Mr. Jonas is the General Partner of The Jonas Family Limited Partnership and the Trustee of the Howard S. Jonas 1998 Annuity Trust and, together with Deborah Jonas, is a Trustee of each of The Jonas Foundation and the eight separate trusts under Article Four of the Howard S. Jonas 1996 Annuity Trust Agreement F/B/O Samuel Jonas, David Jonas, Michael Jonas, Leora Jonas, Jonathan Jonas, Rachel Jonas, Joseph Jonas and Tamar Jonas.

- (2) Based solely on a Form 13D/A filed on November 8, 2001. Liberty Media also owns 88,235 shares of common stock of IDT Telecom (approximately 4.8% of the total outstanding), 88,235 shares of IDT Media, Inc., (approximately 5.6% of the total outstanding) and, through ownership of NTOP Holdings, LLC, beneficial ownership of approximately 26.9% of Net2Phone's outstanding Class A Common Stock as of July 31, 2003.
- (3) Based solely on a Form 13G filed on January 10, 2003.
- (4) Includes (a) 72,676 shares of Class B Common Stock held by Mr. Courter directly, (b) 1,306 shares of Common Stock held by Mr. Courter in his 401(k) Plan and (c) 1,889,998 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.
- (5) Includes (a) 1,000 shares of Common Stock and 1,000 shares of Class B Common Stock held by Mr. Brown directly, (b) 1,078 shares of Common Stock held by Mr. Brown in his 401(k) Plan and (c) 218,998 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.
- (6) Includes (a) 1,152 shares of Common Stock held by Mr. Kaganoff in his 401(k) Plan and (b) 24,000 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.
- (7) Includes (a) 10,380 shares of Common Stock and 13,055 shares of Class B Common Stock held by Ms. Mason directly, (b) 1,396 shares of Common Stock held by Ms. Mason in her 401(k) Plan, (c) an aggregate of 4,640 shares of Common Stock and 11,065 shares of Class B Common Stock owned by Ms. Mason's husband, son and daughter and (d) 257,699 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.
- (8) Includes (a) 1,236 shares of Common Stock held by Mr. Knoller in his 401(k) Plan and (b) 177,500 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.
- (9) Includes (a) 41 shares of Common Stock and 41 shares of Class B Common Stock held by Mr. Levy directly, (b) 1,106 shares of Common Stock held by Mr. Levy in his 401(k) Plan and (c) 107,831 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.
- (10) Includes (a) 893 shares of Common Stock held by Mr. Lichtenstein in his 401(k) Plan and (b) 302,998 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.
- (11) Includes 40,000 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.
- (12) Includes 118,000 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.
- (13) Includes 500 shares of Common Stock and 1,500 shares of Class B Common Stock owned by Mr. Fenster's wife as well as 60,000 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days. Mr. Fenster disclaims beneficial ownership of all shares owned by his wife.

- (14) Includes (a) 498 shares of Common Stock and 498 shares of Class B Common Stock held by the Owens Family Trust (Admiral Owens, together with his wife, are trustees of the Owens Family Trust), and (b) 40,000 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.
- (15) Includes 40,000 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.
- (16) Includes 90,000 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.
- (17) Includes 60,000 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.
- (18) Includes 20,000 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.
- (19) Does not include beneficial ownership of the following numbers of shares of (a) common stock of IDT Telecom that may be acquired within 60 days pursuant to stock options: Mr. Courter, 234 shares; Ms. Mason, 20 shares; Mr. Knoller, 78 shares; Mr. Brown, 78 shares; Mr. Lichtenstein, 843 shares; Mr. Kaganoff, 125 shares, Mr. Levy, 140 shares; and all directors and executive officers as a group, 1,791 shares, (b) common stock of Net2Phone that are beneficially owned or that may be acquired within 60 days pursuant to stock options: Mr. Courter, 81,304 shares; Mr. Brown, 85,180 shares; Mr. Lichtenstein, 34,110 shares, Mr. Levy, 54,300 shares; Ms. Mason, 50,600 shares; Mr. Knoller 36,750 shares; Mr. Kemp, 1,000; and all directors and executive officers as a group, 431,324 shares, or (c) 28.9 million shares of Net2Phone Common Stock held by NTOP Holdings, LLC which may be deemed to be beneficially held by certain of the above listed persons.
- (20) Includes the shares and options set forth above with respect to the officers and directors listed above and an additional 3,965 shares of Common Stock held in certain officers 401(k) plans and 423,373 shares of Class B Common Stock issuable upon the exercise of stock options exercisable within 60 days.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Pursuant to the Company's Restated Certificate of Incorporation, as amended, the authorized number of directors on the Board of Directors is seventeen. There are currently fourteen directors on the Board of Directors and three vacancies.

Each director holds office until such director's successor has been duly elected and qualified. The Board of Directors is divided into three classes, with Messrs. Blaker, Courter, Knoller, Brown and Weld constituting Class I, Messrs. Kaganoff, Gilmore and Kemp and Admiral Owens constituting Class II and Ms. Mason and Messrs. Jonas, Boschwitz, Fenster and Levitt constituting Class III. Upon the expiration of the term of each class, directors comprising such class of directors are eligible to be elected for a three-year term at the next succeeding annual meeting of stockholders. The terms of the Class II directors expire at the Annual Meeting and the terms of the Class I and Class III directors expire at the Company's annual meeting of stockholders to be held in 2005 and 2004, respectively.

A total of four Class II directors have been nominated for re-election at the Annual Meeting to serve for a term of three years until the 2006 Annual Meeting of Stockholders, or until their successors are duly elected and qualified or until their earlier resignation or removal. A plurality of the votes cast at the Annual Meeting shall elect each director. Stockholders may not grant a proxy for a greater number of persons than four, which is the number of nominees identified herein.

The nominees are Moshe Kaganoff, James S. Gilmore, III, Jack F. Kemp and Admiral William A. Owens, each of whom is an incumbent director and has consented to be named in this proxy statement and to serve if elected. Certain information about the nominees for Class II directors is furnished below.

Moshe Kaganoff has served as the Company's Executive Vice President of Strategic Planning since January 2000 and has been a director of the Company since March 1999. From April 1994 through July 1998, Mr. Kaganoff served as the Company's Manager of Operations. Since August 2001, Mr. Kaganoff has also served as Executive Vice President of Strategic Planning for IDT Telecom. Mr. Kaganoff holds a B.A. in Economics from Yeshiva University.

James S. Gilmore, III has served as a director of the Company since September 2003. Mr. Gilmore is presently a partner at the Washington office of the law firm Kelly, Drye & Warren LLP, where he chairs the Homeland Security Practice Group, and President of USA Secure. From 1998 to 2002, Mr. Gilmore was Governor of Virginia and was in office when the Pentagon was attacked on September 11, 2001. Since 1999, Mr. Gilmore has been Chairman of the Congressional Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction, also known as the Gilmore Commission. He received an undergraduate degree in Foreign Affairs from the University of Virginia in 1971.

Jack F. Kemp has served as a director of the Company since April 2003. From October 2001 through April 2003, Mr. Kemp served on the Board of Directors of IDT Telecom. Mr. Kemp had previously served on the Board of Directors of IDT Ventures (the predecessor to IDT Media, Inc. (IDT Media)). Mr. Kemp is currently co-director of Empower America, a Washington, D.C. based public policy and advocacy organization he co-founded in 1993 with William Bennett and Ambassador Jeane Kirkpatrick. Mr. Kemp served four years as Secretary for Housing and Urban Development under President George H. Bush and authored the Enterprise Zones legislation to encourage entrepreneurship and job creation in urban America. In 1995, Mr. Kemp served as Chairman of the National Commission on Economic Growth and Tax Reform and in August 1996 received the Republican Party's nomination for Vice President. Prior to serving in President Bush's cabinet, Mr. Kemp was a

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member of the U.S. House of Representatives from 1971 to 1989, representing the Buffalo area and Western New York. Mr. Kemp graduated from Occidental College. Mr. Kemp played for 13 years as a professional football quarterback. He was captain of the San Diego Chargers from 1960-1962 and captain of the Buffalo Bills, the team he quarterbacked to the American Football League Championships in 1964 and 1965.

Admiral William A. Owens has served as a director of the Company since March 2000. Admiral Owens has served as Chairman of the Board of Directors and Chief Executive Officer of Teledesic LLC since August 1998. Admiral Owens was the President, Chief Operating Officer and Vice Chairman of the Board of Directors of Science Applications International Corporation, from June 1996 to August 1998. In addition, Admiral Owens served as the Vice Chairman of the Joint Chiefs of Staff from 1994 to 1996. Admiral Owens received a B.S. from the United States Naval Academy, a B.A. and M.A. from Oxford University and an M.B.A. from George Washington University. Admiral Owens also serves as a director of Symantec Corporation, Polycom Inc., ViaSat Inc., Biolase Technology Inc., TIBCO Software Inc., Telstra Corporation Limited, BAT plc and Daimler Chrysler Corporation.

The Board of Directors has no reason to believe that any of the persons named above will be unable or unwilling to serve as a director, if elected.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR
THE ELECTION OF THE NOMINEES NAMED ABOVE.**

Directors and Executive Officers

The current directors and executive officers of the Company are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Howard S. Jonas(1)	47	Chairman of the Board of Directors
James A. Courter(1)	62	Vice Chairman of the Board of Directors and Chief Executive Officer
Ira A. Greenstein	43	President
Stephen R. Brown	47	Chief Financial Officer, Treasurer and Director
Marcelo Fischer	36	Chief Accounting Officer and Controller
Joyce J. Mason	44	Senior Vice President, General Counsel, Secretary and Director
Marc E. Knoller	42	Senior Vice President and Director
Moshe Kaganoff(2)	32	Executive Vice President of Strategic Planning and Director
Geoffrey Rochwarger	33	Executive Vice President of Telecommunications
Morris Lichtenstein	39	Executive Vice President of Business Development
E. Brian Finkelstein	43	Executive Vice President of Business Development
Jonathan Levy	32	Executive Vice President of Corporate Development
J. Warren Blaker(2)(3)	69	Director
Saul K. Fenster(2)(3)(4)(5)	70	Director
Admiral William A. Owens(4)(6)	63	Director
William F. Weld(7)	58	Director
Michael J. Levitt(3)(4)	44	Director
Rudy Boschwitz(5)(7)	73	Director
James S. Gilmore, III(6)	54	Director
Jack F. Kemp(7)	68	Director

- (1) Member of the Nominating Committee of the Board of Directors.
- (2) Member of the Technology Committee of the Board of Directors.
- (3) Member of the Audit Committee of the Board of Directors.
- (4) Member of the IDT-Net2Phone Dispute Resolution Committee of the Board of Directors.
- (5) Member of the Special Real Estate Committee of the Board of Directors.
- (6) Member of the Compensation Committee of the Board of Directors.
- (7) Member of the Corporate Governance Committee of the Board of Directors.

Set forth below is biographical information with respect to the Company's directors and executive officers, other than the Company's Class II directors:

Howard S. Jonas founded IDT in August 1990 and has served as Chairman of the Board of Directors since its inception. Mr. Jonas served as Chief Executive Officer of the Company from December 1991 until July 2001, as President of the Company from December 1991 through September 1996, and as Treasurer of the Company from its inception through December 2002. From December 1999 to June 2002, Mr. Jonas served as Chairman of the Board of Directors of IDT Telecom. Mr. Jonas also served as Chairman of the Board of Directors of IDT Media until June 2002. Since June 2002, Mr. Jonas has served as a Co-Chairman of the Board of Directors of IDT Media. From March to December of 2002, Mr. Jonas served as Chairman of the Board of Managers of Winstar Holdings, LLC ("Winstar Holdings"). Since December 2002, Mr. Jonas has been a member of the Board of Managers of Winstar Holdings. Mr. Jonas is also the founder and has been President of Jonas Publishing Corp., a publisher of trade directories ("Jonas Publishing"), since its inception in 1979. Mr. Jonas became the Chairman of the Board of Directors of Net2Phone in October 2001. Mr. Jonas received a B.A. in Economics from Harvard University.

James A. Courter joined the Company in October 1996 and served as President of the Company from October 1996 until July 2001. Since August 2001, Mr. Courter has served as Chief Executive Officer of the Company. Mr. Courter has also been a director of the Company since March 1996 and has been Vice Chairman of the Board of Directors of the Company since March 1999. In addition, since December 1999, Mr. Courter has served as a director of IDT Telecom and as the Vice Chairman of IDT Media. Since December 1999, Mr. Courter has served as a director of Net2Phone. Since March 2002, Mr. Courter has served as a member of the Board of Managers of Winstar Holdings. Mr. Courter has been a senior partner in the New Jersey law firm of Courter, Kobert & Cohen since 1972. He was also a partner in the Washington, D.C. law firm of Verner, Liipfert, Bernhard, McPherson & Hand from January 1994 to September 1996. Mr. Courter was a member of the U.S. House of Representatives for 12 years, retiring in January 1991. From 1991 to 1994, Mr. Courter was Chairman of the President's Defense Base Closure and Realignment Commission. Mr. Courter also serves as a director of The Berkeley School. He received a B.A. from Colgate University and a J.D. from Duke University Law School.

Ira A. Greenstein joined the Company in January 2000 and served as Counsel to the Chairman until July 2001. Since August 2001, Mr. Greenstein has served as President of the Company. Prior to joining the Company, Mr. Greenstein was a partner in the law firm of Morrison & Foerster LLP from February 1997 to November 1999 where he served as the Chair of that firm's New York Office Business Department. Concurrently, Mr. Greenstein served as General Counsel and Secretary of Net2Phone from January 1999 to November 1999. Prior to 1997, Mr. Greenstein was an associate in the New York and Toronto offices of Skadden, Arps, Slate, Meagher & Flom LLP. Mr. Greenstein also served on the Securities Advisory Committee to the Ontario Securities Commission from 1992 to 1996. From 1991 to 1992, Mr. Greenstein also served as counsel to the Ontario Securities Commission. Mr. Greenstein serves on the Board of Overseers of Touro College. Mr. Greenstein received a B.S. from Cornell University and a J.D. from Columbia University Law School.

Stephen R. Brown joined the Company as Chief Financial Officer in May 1995 and has been a director of the Company since February 2000. Since June 2002, Mr. Brown has also served as Treasurer of the Company and as Co-Chairman of the Board of Directors of IDT Media. Since December 2002, Mr. Brown has also served as Treasurer of IDT Media. Mr. Brown is also a director of Net2Phone. Mr. Brown is currently Chairman of Film Roman, Inc., the Chairman of Digital Production Solutions, Inc., a board member of Vanguard Animation LLC and a board nominee of Mainframe Entertainment Inc. From 1985 to May 1995, Mr. Brown operated his own public accounting practice servicing medium-sized corporations as well as high net worth individuals. Mr. Brown received a B.A. degree in Economics from Yeshiva University and a B.B.A. degree in Business and Accounting from Baruch College.

Marcelo Fischer has served as the Company's Controller since May 2001 and Chief Accounting Officer since December 2001. Prior to joining IDT, Mr. Fischer was the Corporate Controller of Viatel, Inc. from 1999 until 2001. From 1998 through 1999, Mr. Fischer was the International Controller of the Consumer International Division of Revlon, Inc. From 1991 through 1998, Mr. Fischer held various accounting and finance positions at Colgate-Palmolive Corporation. Mr. Fischer, a Certified Public Accountant, received an M.B.A. degree in Finance and Accounting from New York University Stern School of Business and a B.A. degree in Economics from University of Maryland.

Joyce J. Mason has served as the Company's Senior Vice President since December 1998, as General Counsel, Secretary and a director of the Company since its inception and as a director of the Company's predecessor since its inception. In addition, Ms. Mason served as a director of IDT Telecom and IDT Media from December 1999 until May 2001. Ms. Mason became a director of Net2Phone in October 2001. Prior to joining the Company, Ms. Mason had been in private legal practice. Ms. Mason received a B.A. from the City University of New York and a J.D. from New York Law School.

Marc E. Knoller has been a director of the Company since March 1996 and Senior Vice President since December 1998. Mr. Knoller joined the Company as a Vice President in March 1991 and also served as a director of its predecessor since such time. Since December 2001, Mr. Knoller has served as the President and

Chief Operating Officer of IDT Media. From 1988 until March 1991, Mr. Knoller was director of national sales for Jonas Publishing. Mr. Knoller has served as Vice President of Jonas Publishing from 1991 until the present. Mr. Knoller received a B.B.A. from Baruch College.

Geoffrey Rochwarger has served as the Company's Executive Vice President of Telecommunications since 1996 and served as a director of the Company from July 1999 until December 2002. Since December 2001, Mr. Rochwarger has also served as Chief Operating Officer of Winstar Holdings and as the Vice Chairman of the Board of Managers of Winstar Holdings since December 2002. Mr. Rochwarger also served as Chief Operating Officer of IDT Telecom from May 2001 until March 2003. Mr. Rochwarger served as the President of Genie, an online service company and a subsidiary of the Company, from 1995 until 1996. Prior to joining IDT, Mr. Rochwarger was the Operations Manager at Galaxy Freight Service LTD. Mr. Rochwarger holds a B.A. Degree in Economics from Yeshiva University.

Morris Lichtenstein has served as Executive Vice President of Business Development of the Company since January 2000. From January 1999 to December 1999, Mr. Lichtenstein served as Controller of the Company. Since May 2001, Mr. Lichtenstein has also served as Vice Chairman of the Board of Directors and Chief Executive Officer of IDT Telecom. From 1988 to 1998, Mr. Lichtenstein served as the Controller of Mademoiselle Knitwear, Inc. Mr. Lichtenstein received a B.A. from Touro College.

E. Brian Finkelstein has served as Executive Vice President of Business Development of the Company since February 2002. Since March 2002, Mr. Finkelstein has served as Chief Executive Officer and as a member of the Board of Managers of Winstar Holdings. Since December 2002, Mr. Finkelstein has served as the Chairman of the Board of Managers of Winstar Holdings. Before joining Winstar, Mr. Finkelstein served as President and Chief Executive Officer of Horizon Global Trading, LLC (acquired by IDT in February 2002 (Horizon)). Prior to joining Horizon, Mr. Finkelstein was a Managing Director responsible for a global sales and trading department at UBS Securities. Mr. Finkelstein received a B.A. in Economics from Brooklyn College.

Jonathan Levy has served as Executive Vice President of Corporate Development of the Company since October 1999. Mr. Levy also served as the director of the Company's Fiber Division from June 1998 through November 2000. Since 2003, Mr. Levy has served as Vice Chairman and President of Carrier Services and Sales Strategy of IDT Telecom. From May 2001 to 2003, Mr. Levy served as a director and President, Carrier Wholesale of IDT Telecom. Prior to joining the Company, Mr. Levy was Operations Manager for B&H Photo, Inc. Mr. Levy holds a B.S. Degree in Finance from Touro College.

J. Warren Blaker has been a director of the Company since March 1996. Dr. Blaker has been Professor of Physics and Director of the Center for Lightwave Science and Technology at Fairleigh Dickinson University since 1987. Prior to such time, Dr. Blaker worked in various capacities in the optics industry, including serving as Chief Executive Officer of University Optical Products, Inc., a wholly-owned subsidiary of University Patents, Inc., from 1982 to 1985. Dr. Blaker received a B.S. from Wilkes University and a Ph.D. from the Massachusetts Institute of Technology.

Saul K. Fenster has served as a director of the Company since February 2000. Dr. Fenster served as President of the New Jersey Institute of Technology from September 1978 through June 2002 and is now President Emeritus. Dr. Fenster serves as a director for each of the following Prudential Insurance Company funds: American Skanda Trust Portfolios, Prudential VCA Funds, Prudential Gibraltar Fund and Prudential Series Funds. Dr. Fenster received a B.M.E. from the City College of New York, an M.S. from Columbia University and a Ph.D. from the University of Michigan.

William F. Weld has served as a director of the Company since February 2000. Mr. Weld has been a principal at Leeds Weld & Co., a private equity investment firm, since January 2001, and Chairman of the Leeds Weld Board of Advisors since 1998. From 1991 to 1997, Mr. Weld served as Governor of Massachusetts. Prior

to becoming Governor, Mr. Weld served as Assistant U.S. Attorney General in charge of the Criminal Division of the United States Department of Justice in Washington, D.C. from 1986 to 1988, and as the United States Attorney for Massachusetts from 1981 to 1986. He has been a partner in three law firms in Boston and New York. Mr. Weld also serves as a director of Affiliated Managers Group, Inc. Mr. Weld received his B.A. from Harvard University, a diploma in international economics from Oxford University and his J.D. from Harvard Law School.

Michael J. Levitt has served as a director of the Company since September 2001. Mr. Levitt is currently the Chairman, Chief Executive and Chief Investment Officer of Stone Tower Capital LLC. Mr. Levitt was a partner with Hicks, Muse, Tate & Furst Incorporated from 1996 until 2001. Mr. Levitt served as Managing Director and Deputy Head of Investment Banking with Smith Barney, Inc. from 1993 through 1995. From 1986 through 1993, Mr. Levitt was a Managing Director with Morgan Stanley & Co. Mr. Levitt received his undergraduate and Juris Doctor degrees from the University of Michigan.

Rudy Boschwitz has served as a director of the Company since December 2002. From June 2002 until December 2002, Mr. Boschwitz served on the Board of Directors of IDT Media. Mr. Boschwitz was first elected to the U. S. Senate from Minnesota in 1978. He was re-elected in 1984, and served until 1991. Mr. Boschwitz is currently Chairman of the Advisory Committee of the Center for Global Food Issues, and a director of Friends of the World Food Program (a UN agency), the Hudson Institute, and the St. Paul Chamber Orchestra. Mr. Boschwitz is Founder and Chairman of HomeValu, Inc.

Relationships among Directors or Executive Officers

Mr. Howard S. Jonas and Ms. Joyce J. Mason are brother and sister. There are no other family relationships among any of the directors or executive officers of the Company.

Certain Relationships and Related Transactions

In Fiscal 2002, the Company extended loans to each of the following four executive officers and a former executive officer of the Company in the principal amount of \$150,000 that bear interest at the rate of 8% per annum: Morris Lichtenstein, the Company's Executive Vice President of Business Development, Jonathan Levy, the Company's Executive Vice President of Corporate Development, Moshe Kaganoff, the Company's Executive Vice President of Strategic Planning, Geoffrey Rochwarger, the Company's Executive Vice President of Telecommunications and Charles Garner, the Company's former Executive Vice President of New Ventures. The entire amount of each of the loans of Messrs. Lichtenstein, Levy, Kaganoff and Rochwarger is currently outstanding and is due on December 31, 2004. Pursuant to a separation agreement between Mr. Garner and the Company entered into during Fiscal 2002, Mr. Garner's loan was forgiven and he was extended another loan in the principal amount of \$1,000,000 that bears interest at the lowest rate permissible under applicable law without incurring additional tax obligations. This loan is payable out of the proceeds of the exercise of IDT Telecom stock options held by Mr. Garner and will be forgiven if Mr. Garner does not exercise such options by certain dates, and Mr. Garner pays all applicable taxes relating to such forgiveness. In Fiscal 2003, the conditions as to the first one-third of the loan were satisfied and such portion of Mr. Garner's loan was forgiven.

In addition, during Fiscal 2002, the Company extended a loan to Stephen R. Brown, the Company's Chief Financial Officer, in the principal amount of \$300,000 that bears interest at the rate of 8% per annum. The entire amount of this loan is currently outstanding and is due on December 31, 2004. In addition, Morris Lichtenstein was extended a loan in the amount of \$1,000,000 that bears interest at the rate of 6% per year. Mr. Lichtenstein has committed to repay the amount due in equal one-third installments on or before July 31 in each of 2003, 2004 and 2005. The first installment of such loan was repaid prior to July 31, 2003.

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In Fiscal 2001, the Company extended loans bearing interest at a rate of 6% per annum in the original principal amounts of \$2,350,000, \$1,000,000 and \$275,000 to Morris Lichtenstein, Stephen R. Brown, and

Jonathan Levy, respectively. Each of Messrs. Lichtenstein, Brown and Levy has committed to pay all outstanding amounts due in equal one-third installments on or before July 31, in each of 2003, 2004 and 2005. The first installment of each of such loans was repaid prior to July 31, 2003.

In Fiscal 2001, the Company also extended loans to several other executive officers of the Company and its principal subsidiaries, each of which bears interest at a rate of 8% per annum. Marc Knoller, the Company's Senior Vice President, obtained a loan in the principal amount of \$346,441. Mr. Knoller has committed to repay the loan in equal one-third installments on or before July 31 in each of 2003, 2004 and 2005. Mr. Knoller repaid the first installment of such loan, as well as an additional \$30,930, prior to July 31, 2003. Michael Fischberger, the Company's former Chief Operating Officer, obtained a loan in the principal amount of \$300,000. Mr. Fischberger's loan is currently outstanding and is due on December 31, 2004. During Fiscal 2001, each of the following three executive officers of the Company also received a loan from the Company in the principal amount of \$150,000 that bears interest at the rate of 8% per annum: Geoffrey Rochwarger, Moshe Kaganoff and Jonathan Levy. The entire amount of each of these loans is currently outstanding and is due on December 31, 2004.

In Fiscal 2000, the Company extended a loan bearing interest at a rate of 6% per annum to Morris Lichtenstein, in the principal amount of \$300,000. Mr. Lichtenstein has committed to repay the loan in equal one-third installments on or before July 31 in each of 2003, 2004 and 2005. The first installment of such loan was repaid prior to July 31, 2003.

In connection with the initial public offering of Net2Phone, in July 1999, each of Stephen R. Brown, Moshe Kaganoff, Geoffrey Rochwarger and Michael Fischberger borrowed \$117,600 from the Company. All of the proceeds of these loans were used to purchase shares of Net2Phone common stock upon the exercise of stock options. As a condition to receiving these loans, these officers agreed to surrender 240 immediately exercisable Net2Phone options. The loans bear interest at the rate of 7% per annum. Each of Messrs. Brown, Kaganoff, Rochwarger and Fischberger have committed to repay their respective loans in equal one-third installments on or before July 31 in each of 2003, 2004 and 2005. The first installment of each of such loans was repaid prior to July 31, 2003.

The Company leads a consortium, NTOP Holdings LLC, consisting of the Company and Liberty Media that, as of July 31, 2003, concentrated ownership of approximately 48% (65% of the voting power) of Net2Phone.

On April 17, 2003, a subsidiary of Liberty Media purchased from IDT Media 88,235 newly-issued shares of IDT Media's Class A common stock, at a price of \$283,334 per share, representing an aggregate cash purchase price of \$25.0 million.

On October 22, 2003, Net2Phone Cable Telephony, LLC, a wholly owned subsidiary of Net2Phone, entered into an agreement with Liberty Cablevision of Puerto Rico, Inc., a wholly owned subsidiary of Liberty Media, to exclusively deploy and manage Liberty Cablevision of Puerto Rico's residential cable telephony offering.

In Fiscal 2003, the Company made payments for publishing services in the amount of \$100,000 to Jonas Publishing, which is owned by Howard S. Jonas. The Company also provides certain connectivity and other services to Jonas Publishing. As of July 31, 2003, Jonas Publishing owed the Company approximately \$300,000.

James A. Courter, the Chief Executive Officer and Vice Chairman of the Company, is a partner in the law firm of Courter, Kobert & Cohen, P.C., which has served as counsel to the Company since July 1996. Fees paid to the firm by the Company were less than 5% of the firm's gross revenues for Fiscal 2003.

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William F. Weld, a director of the Company, is Of Counsel to the law firm of McDermott, Will & Emery, which has served as counsel to the Company since November 1999. Fees paid to the firm by the Company were less than 5% of the firm's gross revenues for Fiscal 2003.

Certain of the Company's subsidiaries currently lease a facility located in Hackensack, New Jersey from a corporation which is wholly owned by Howard S. Jonas. Aggregate lease payments under such lease were \$89,200 in Fiscal 2003.

The Company also leases a facility in Piscataway, New Jersey from a corporation which is owned and controlled by Mr. Jonas, which the Company subleases to Net2Phone. The sublease is month-to-month, with monthly rent of \$19,800.

The Company and Net2Phone obtain insurance policies from several insurance brokers. Some of the policies were arranged through a company affiliated with Jonathan Mason, the husband of Joyce Mason, the Senior Vice President, General Counsel, Secretary and a director of the Company and a director of Net2Phone (and the brother-in-law of Howard S. Jonas, the Chairman of the Board of Directors of the Company and Net2Phone) and Irwin Jonas, the father of Joyce Mason and Howard S. Jonas. The aggregate premiums paid by the Company