

Fortress Investment Group LLC
Form PREM14A
April 25, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-12

FORTRESS INVESTMENT GROUP LLC

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

Class A shares, no par value (the Class A shares)

(2) Aggregate number of securities to which transaction applies:

(a) 218,008,370 Class A shares (including 20,380 unvested restricted Class A shares); and

(b) 18,514,083 restricted stock units relating to Class A shares.

(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):

The filing fee was determined by multiplying 0.0001159 by the underlying value of the transaction of \$1,911,101,420, which has been calculated as the sum of: (a) the product of 218,008,370 Class A shares (including 20,380 restricted Class A shares that are unvested) and the merger consideration of \$8.08 per Class A share, and (b) the product of 18,514,083 restricted stock units relating to Class A shares and the merger consideration of \$8.08 per Class A share.

(4) Proposed maximum aggregate value of transaction:

\$1,911,101,420

(5) Total fee paid:

\$221,496.65

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION

DATED April 25, 2017

Fortress Investment Group LLC

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

[], 2017

Dear Fellow Shareholders:

On behalf of your Board of Directors, we are pleased to invite you to attend a Special Meeting of Shareholders (the Special Meeting) of Fortress Investment Group LLC (the Company). This Special Meeting will be held on [], 2017 at [] local time, at []. The Notice of the Special Meeting of Shareholders and Proxy Statement that follow describe the business to be conducted at the Special Meeting.

The Company, SB Foundation Holdings LP (Parent) and Foundation Acquisition LLC, a wholly owned subsidiary of Parent (Merger Sub), have entered into an Agreement and Plan of Merger, dated as of February 14, 2017 (as it may be amended from time to time, the merger agreement), providing for the merger (the merger) of Merger Sub with and into the Company. If the merger is completed, the Company will survive the merger and become a wholly owned subsidiary of Parent.

If the merger is completed, subject to the terms and conditions of the merger agreement, you will be entitled to receive \$8.08 in cash, without interest, less any applicable withholding taxes, for each of the Company's Class A shares that you hold immediately prior to the effective time of the merger, representing a premium of approximately 38.6% over the closing price of the Company's Class A shares on February 13, 2017 (the last trading day before the date that the merger agreement was signed) and a premium of approximately 51.2% over the volume-weighted average price of the Company's Class A shares for the three-month period ending on February 13, 2017. If the merger is completed, each Class B share of the Company will be cancelled and retired, for no consideration (although holders of such shares will receive consideration in respect of their corresponding FOG Units as described in the attached Proxy Statement).

At the Special Meeting, you will be asked:

1. to adopt the merger agreement, thereby approving the transactions contemplated by the merger agreement and the merger;
2. to approve any postponements of the Special Meeting for the purpose of soliciting additional proxies if there are holders of an insufficient number of Class A shares and Class B shares present or represented by proxy at the Special Meeting to constitute a quorum at the Special Meeting; and

3. to approve, by non-binding, advisory vote, certain compensation that will or may become payable by the Company to its named executive officers in connection with the merger.

In order to complete the transactions contemplated by the merger agreement, the holders of the Company's Class A shares and Class B shares are required to approve the proposal to adopt the merger agreement. The merger proposal requires that a majority of the Class A shares and Class B shares (voting together as a single class) outstanding and entitled to vote on the proposal vote FOR the merger proposal in order for it to be approved. The postponement proposal (whether or not a quorum is present) and the advisory (non-binding) vote on compensation proposal require that a majority of votes cast (with the Class A shares and Class B shares voting together as a single class) at the Special Meeting vote FOR such proposal in order for it to be approved. **Because the vote on the proposal to adopt the merger agreement is based on the number of Class A shares and Class B shares outstanding, abstentions and broker non-votes, if any, will have the same effect as voting AGAINST the approval of such proposal.**

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Your vote is very important. Whether or not you plan to attend the Special Meeting, please vote by Internet or telephone, or mark, sign, date and return your proxy card as promptly as possible, so that your shares are represented and voted at the Special Meeting. If you plan to attend the Special Meeting, please check the Special Meeting box on your proxy card and return your proxy card as promptly as possible so that we may send you an admission card.

PLEASE NOTE THAT YOU MUST FOLLOW THESE INSTRUCTIONS IN ORDER TO ATTEND AND BE ABLE TO VOTE AT THE SPECIAL MEETING: All shareholders of record may vote in person at the Special Meeting. In addition, you may also be represented by another person at the Special Meeting by executing a proper proxy designating that person as the proxy with power to vote your shares on your behalf.

If you are a beneficial owner of shares, you must take the following three steps in order to be able to attend and vote at the Special Meeting: (i) obtain a legal proxy from your broker, bank or other holder of record and present this legal proxy to the inspector of elections along with your ballot, (ii) contact the Company's Investor Relations department to obtain an admission card and present this admission card to the inspector of elections and (iii) present an acceptable form of photo identification, such as a driver's license or passport, at the Special Meeting.

After careful consideration of, and based upon, the unanimous recommendation of the Special Committee of the Board of Directors comprised solely of independent and disinterested directors, the Board of Directors unanimously (i) determined that the merger is advisable and fair to and in the best interests of the Company and its shareholders (other than the Principals and their respective affiliates); (ii) authorized and approved the execution, delivery and performance by the Company of the merger agreement and the consummation of the transactions contemplated thereby and the merger; (iii) resolved to recommend that the Company's shareholders vote in favor of the adoption of the merger agreement; and (iv) directed that the adoption of the merger agreement and the approval of the merger be submitted to the Company's shareholders. The Board of Directors unanimously recommends that you vote:

- 1. FOR the proposal to adopt the merger agreement, thereby approving the transactions contemplated by the merger agreement and the merger;**
- 2. FOR the proposal to approve any postponements of the Special Meeting for the purpose of soliciting additional proxies if there are holders of an insufficient number of Class A shares and Class B shares present or represented by proxy at the Special Meeting to constitute a quorum at the Special Meeting; and**
- 3. FOR the proposal to approve, by non-binding, advisory vote, certain compensation that will or may become payable by the Company to its named executive officers in connection with the merger.**

We encourage you to read the enclosed proxy statement and its appendices, including the merger agreement, carefully and in their entirety. You may also obtain more information about the Company from documents we file with the Securities and Exchange Commission from time to time.

If you have more questions about the merger or how to submit your proxy or need assistance voting your Class A shares or Class B shares, please contact Innisfree M&A Incorporated, which is assisting the Company with the solicitation of proxies, at (888) 750-5834 (toll-free). Banks and brokers may call (212) 750-5833 (collect).

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On behalf of your Board of Directors, we thank you for your support and appreciate your consideration of this matter.

Sincerely,

Peter L. Briger, Jr. and Wesley R. Edens
Co-Chairmen of the Board

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PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION

DATED April 25, 2017

Fortress Investment Group LLC

1345 Avenue of the Americas

New York, NY 10105

NOTICE OF THE SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON [], 2017

To Our Shareholders:

Fortress Investment Group LLC (the Company) will hold a Special Meeting of Shareholders (the Special Meeting) on [], 2017 at [] local time, at [].

The matters to be considered and voted upon at the Special Meeting, which are described in detail in the accompanying materials, are:

1. the proposal to adopt the Agreement and Plan of Merger, dated as of February 14, 2017 (as it may be amended from time to time, the merger agreement), by and among SB Foundation Holdings LP, a Cayman Islands exempted limited partnership (Parent), Foundation Acquisition LLC, a Delaware limited liability company and a wholly owned subsidiary of Parent (Merger Sub), and the Company, thereby approving the transactions contemplated by the merger agreement and the merger (the merger) of Merger Sub with and into the Company, after the completion of which the Company will survive the merger and become a wholly owned subsidiary of Parent;
2. the proposal to approve any postponements of the Special Meeting for the purpose of soliciting additional proxies if there are holders of an insufficient number of Class A shares and Class B shares present or represented by proxy at the Special Meeting to constitute a quorum at the Special Meeting; and
3. the proposal to approve, by non-binding, advisory vote, certain compensation that will or may become payable by the Company to its named executive officers in connection with the merger.

You may vote at the Special Meeting, or at any adjournment thereof, if you were a shareholder of record at the close of business on [], 2017 (the Record Date).

Your vote at the Special Meeting is very important. Whether or not you plan to attend the Special Meeting, please vote by Internet or telephone, or mark, sign, date and return your proxy card, so that your shares are represented at the Special Meeting.

A quorum of shareholders is necessary to hold the Special Meeting. For the purposes of the Special Meeting, to establish a quorum and transact business, a majority of the Company's Class A shares and Class B shares, voting together as a single class, issued and outstanding as of the Record Date and entitled to vote at the Special Meeting must be present, either in person or by proxy, at the Special Meeting. In accordance with our Fourth Amended and Restated Limited Liability Company Agreement, as amended, the Special Meeting may be adjourned or postponed from time to time by the chairman of the meeting to another place or time, without regard to the presence of a quorum.

On each matter to be voted upon, holders of the Class A shares and Class B shares will vote together as a single class. Each holder of Class A shares or Class B shares is entitled to one vote per share. Shareholders may vote FOR or AGAINST, or they may ABSTAIN from voting on, the proposal to adopt the merger agreement. A majority of the Class A shares and Class B shares (voting together as a single class) outstanding and entitled to vote on the merger proposal must vote FOR the merger proposal in order for it to be approved. Because the vote on the merger proposal is based on the number of Class A shares and Class B shares outstanding, abstentions and broker non-votes, if any, will have the same effect as voting AGAINST the approval of such proposal.

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Shareholders may vote FOR or AGAINST, or they may ABSTAIN from voting on, each of the proposals to approve any postponements of the Special Meeting and to approve, by non-binding, advisory vote, certain compensation that will or may become payable by the Company to its named executive officers in connection with the merger. A majority of votes cast (with the Class A shares and Class B shares voting together as a single class) at the Special Meeting, whether or not a quorum is present, must vote FOR the proposal to approve any postponements of the Special Meeting, in order for it to be approved and a majority of votes cast (with the Class A shares and Class B shares voting together as a single class) at the Special Meeting must vote FOR the proposal to approve, by non-binding, advisory vote, certain compensation that will or may become payable by the Company to its named executive officers in connection with the merger, in order for it to be approved. Abstentions and broker non-votes, if any, will have no effect on the outcome of either proposal.

As of the Record Date approximately []% of all of the Company's Class A shares and Class B shares entitled to vote (voting together as a single class) at the Special Meeting were held by Peter L. Briger, Jr., Wesley R. Edens and Randal A. Nardone. In connection with the merger agreement, on February 14, 2017, Parent entered into three separate Voting and Support Agreements (each, a voting agreement), pursuant to which each of Messrs. Briger, Edens and Nardone, and certain of their related entities and persons that own Class A shares and/or Class B shares, agreed, among other things, and subject to the terms set forth in the voting agreements, to vote shares of the Company that represent, as to all such agreements in the aggregate, 34.99% of the total voting power of the Company, in favor of the adoption of the merger agreement, each of the other actions contemplated by the merger agreement and the merger, and any other proposal in respect of which approval of the Company's shareholders is requested in furtherance of the foregoing. See Voting Agreements beginning on page 115, for a description of these agreements.

Shareholders do not have dissenters' rights with respect to any matter to be voted upon at the Special Meeting.

After careful consideration of, and based upon, the unanimous recommendation of the Special Committee of the Board of Directors of the Company (the Board) comprised solely of independent and disinterested directors, the Board unanimously (i) determined that the merger is advisable and fair to and in the best interests of the Company and its shareholders (other than the Principals and their respective affiliates); (ii) authorized and approved the execution, delivery and performance by the Company of the merger agreement and the consummation of the transactions contemplated thereby and the merger; (iii) resolved to recommend that the Company's shareholders vote in favor of the adoption of the merger agreement; and (iv) directed that the adoption of the merger agreement and the approval of the merger be submitted to the Company's shareholders. The Board of Directors unanimously recommends that you vote:

- 1. FOR the proposal to adopt the merger agreement, thereby approving the transactions contemplated by the merger agreement and the merger;**
- 2. FOR the proposal to approve any postponements of the Special Meeting for the purpose of soliciting additional proxies if there are holders of an insufficient number of Class A shares and Class B shares present or represented by proxy at the Special Meeting to constitute a quorum at the Special Meeting; and**
- 3. FOR the proposal to approve, by non-binding, advisory vote, certain compensation that will or may become payable by the Company to its named executive officers in connection with the merger.**

By Order of the Board of Directors,

David N. Brooks

Vice President, General Counsel and Secretary

New York, New York

[], 2017

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SUMMARY

*This summary highlights selected information from this Proxy Statement related to the Special Meeting and the merger. This Proxy Statement may not contain all of the information that is important to you. To understand the merger more fully, and for a more complete description of the legal terms of the merger, you should carefully read this entire Proxy Statement, the appendices to this Proxy Statement, including the merger agreement, and the documents we incorporate by reference in this Proxy Statement. You may obtain the documents and information incorporated by reference in this Proxy Statement without charge by following the instructions under *Additional Information* beginning on page 132.*

Frequently Used Terms

A number of terms frequently used in this Proxy Statement are set forth below and shall have the following meanings:

Advisers Act means the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder;

AUM means assets under management;

Board of Directors and the **Board** mean the Board of Directors of the Company;

Class A shares means Class A shares of the Company, no par value, which are listed and traded on the NYSE;

Class B shares means Class B shares of the Company, no par value, which are not publicly traded;

Company or **we**, **our**, **us** and similar words, means Fortress Investment Group LLC, a Delaware limited liability company;

equity commitment letter means the Equity Commitment Letter, dated as of February 14, 2017, by and between Parent and Sponsor;

Exchange Act means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

FAB means F.A.B. Partners LP, a Jersey limited partnership;

FINRA means the Financial Industry Regulatory Authority;

FOG unit means the aggregate of one limited partner interest in each of Fortress Operating Entity I LP, FOE II (New) LP and Principal Holdings I LP, the limited partnerships through which the Company conducts its business and holds its investments;

founders agreement means the Founders Agreement, dated as of February 14, 2017, by and among Parent, the Company, FIG Corp., a Delaware corporation and a subsidiary of the Company, FIG Asset Co. LLC, a Delaware limited liability company and a subsidiary of the Company, and each of the Sellers, as it may be amended from time to time, which is attached to this Proxy Statement as Annex B;

founders closing means the closing of the transactions contemplated by the founders agreement, which is expected to occur substantially concurrently with the closing of the transactions contemplated by the merger agreement;

Investment Company Act means the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder;

limited guarantee means the Limited Guarantee, dated as of February 14, 2017, delivered by Sponsor in favor of the Company and the Sellers;

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merger means the merger, pursuant to the merger agreement, of Merger Sub with and into the Company, with the Company surviving as a wholly owned subsidiary of Parent;

merger agreement means the Agreement and Plan of Merger, dated as of February 14, 2017, by and among Parent, Merger Sub and the Company, as it may be amended from time to time, which is attached to this Proxy Statement as Annex A;

Merger Sub means Foundation Acquisition LLC, a Delaware limited liability company and a wholly owned subsidiary of Parent;

NYSE means the New York Stock Exchange;

operating agreement means the Company's Fourth Amended and Restated Limited Liability Company Agreement, as amended;

operating group means, collectively, Fortress Operating Entity I LP, FOE II (New) LP and Principal Holdings I LP, the limited partnerships through which the Company conducts its business and holds its investments;

Parent means SB Foundation Holdings LP, a Cayman Islands exempted limited partnership;

PCP means the Amended and Restated Fortress Investment Group LLC Principal Compensation Plan, as amended and restated;

Principal means each of Peter L. Briger, Jr., Wesley R. Edens and Randal A. Nardone;

SEC means the Securities and Exchange Commission;

Securities Act means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

Sellers means each of the Principals and each of their related entities and persons that own FOG units;

Special Committee means the Special Committee of the Board of Directors, formed as described in The Merger Background of the Merger and comprised solely of independent and disinterested directors;

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Special Meeting means the Special Meeting of Shareholders of the Company that will be held on [], 2017 at [] local time, at [], to conduct the business described in the Notice of the Special Meeting of Shareholders and this Proxy Statement;

Sponsor means Softbank Group Corp., a corporation incorporated under the laws of Japan;

TRA means the existing Amended and Restated Tax Receivable Agreement, dated as of February 1, 2007, by and among the Principals, FIG Corp. and certain other parties, publicly filed as Exhibit 10.3 to the Company's Registration Statement on Form S-1/A (File No. 333-138514) filed on February 2, 2007;

TRA waiver agreement means the Waiver Agreement, dated as of February 14, 2017, by and among certain subsidiaries of the Company and the Principals, effective as of and subject to the occurrence of the founders closing; and

voting agreement means each of (i) the Voting and Support Agreement entered into among Parent, Mr. Briger and certain of Mr. Briger's related entities and persons that own Class A shares and/or Class B shares, (ii) the Voting and Support Agreement entered into among Parent, Mr. Edens and certain of Mr. Edens' related entities and persons that own Class A shares and/or Class B shares and (iii) the Voting and Support Agreement entered into among Parent, Mr. Nardone and certain of Mr. Nardone's related entities and persons that own Class A shares and/or Class B shares, each dated as of February 14, 2017.

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Parties Involved in the Merger (page 35)

Fortress Investment Group LLC (page 35)

The Company is a leading, highly diversified global investment management firm with approximately \$69.6 billion in AUM as of December 31, 2016. The Company applies its deep experience and specialized expertise across a range of investment strategies – private equity, credit, liquid markets and traditional fixed income – on behalf of our over 1,700 institutional clients and private investors worldwide. We earn management fees based on the amount of capital we manage, incentive income based on the performance of our alternative investment funds, and investment income from our investments in our funds.

The Company was founded in 1998 as an asset-based investment management firm with a fundamental philosophy premised on alignment of interests with the investors in our funds. Our managed funds primarily employ absolute return strategies – we strive to have positive returns regardless of the performance of the markets. Investment performance is our cornerstone – as an investment manager, we earn more if our investors earn more. In keeping with our fundamental philosophy, the Company invests capital in each of its alternative investment businesses. As of December 31, 2016, the Company’s investments in and commitments to our funds were \$1.1 billion, consisting of the net asset value of the Company’s investments in the Company’s funds of \$0.9 billion, and unfunded commitments to private equity funds and credit PE funds of \$0.2 billion.

As of December 31, 2016, we had 1,078 asset management employees, including approximately 271 investment professionals, at our headquarters in New York and our affiliate offices around the globe. Additionally, we had 1,765 employees at the senior living properties that we manage on behalf of New Senior Investment Group Inc. and third parties (whose compensation expense is reimbursed to us by the owners of the facilities).

We are guided by the following key objectives and values:

introducing new investment products while remaining focused on, and continuing to grow, our existing lines of business;

maintaining our disciplined investment process and intensive asset management; and

adhering to the highest standards of professionalism and integrity.

For more information about the Company, please visit our website at www.fortress.com. Our website address is provided as an inactive textual reference only. The information contained on our website is not incorporated into, and does not form a part of, this Proxy Statement or any other report or document on file with or furnished to the SEC. See also “Additional Information” beginning on page 132.

Our Class A shares have been listed and are traded on the NYSE under the symbol – FIG.

Softbank Group Corp. (page 36)

Softbank Group Corp., or Sponsor, was established in 1981 and is a Japanese kabushiki kaisha, or corporation. Sponsor is a holding company that is currently engaged in various businesses in the information industry, including

mobile communications, broadband infrastructure, fixed-line telecommunications and Internet culture.

SoftBank's ordinary shares are traded on the Tokyo Stock Exchange under the code 9984. SoftBank (together with its consolidated subsidiaries) had over 63,500 employees as of the end of its fiscal year ended March 31, 2016.

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SB Foundation Holdings LP (page 36)

SB Foundation Holdings LP, or Parent, is a Cayman Islands exempted limited partnership that was formed on February 6, 2017 for the sole purpose of entering into the merger agreement and founders agreement, and certain ancillary agreements related thereto, and completing the transactions contemplated thereby. Sponsor is the managing member of the general partner of Parent, and Sponsor is the sole limited partner of Parent. Parent has not engaged in any business except for activities incidental to its formation and as contemplated by the merger agreement and the founders agreement.

Foundation Acquisition LLC (page 36)

Foundation Acquisition LLC, or Merger Sub, is a Delaware limited liability company that was formed on February 6, 2017 for the sole purpose of entering into the merger agreement and completing the transactions contemplated thereby. Merger Sub is a wholly owned subsidiary of Parent and has not engaged in any business except for activities incidental to its formation and as contemplated by the merger agreement. Upon the completion of the merger, Merger Sub will cease to exist and the Company will continue as the surviving company.

The Special Meeting (page 30)

Date, Time and Place of the Special Meeting (page 30)

The Company will hold the Special Meeting on [], 2017 at [] local time, at [].

Record Date (page 30)

The Board of Directors has fixed the close of business on [], 2017 as the record date (the Record Date) for determination of the holders of our Class A shares and Class B shares entitled to notice and to vote at the Special Meeting.

Voting Securities (page 30)

Holders of our Class A shares and Class B shares, as recorded in our share register at the close of business on the Record Date, may vote at the Special Meeting. As of the Record Date, there were [] Class A shares and [] Class B shares outstanding. On each matter to be voted upon, the Class A shares and Class B shares will vote together as a single class. Each holder of Class A shares or Class B shares is entitled to one vote per share.

Voting Agreements (page 115)

The Principals have each entered into separate voting agreements requiring them and certain of their related entities and persons party to the voting agreements to vote certain Class A shares and Class B shares held by them and certain related entities and persons in favor of the proposals set forth in this Proxy Statement, including the proposal to adopt the merger agreement. See Voting Agreements beginning on page 115 for a description of these agreements.

Matters to Be Considered at the Special Meeting (page 30)

The matters to be considered and voted upon at the Special Meeting are the proposals:

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1. to adopt the merger agreement, thereby approving the transactions contemplated by the merger agreement and the merger;
2. the proposal to approve any postponements of the Special Meeting for the purpose of soliciting additional proxies if there are holders of an insufficient number of Class A shares and Class B shares present or represented by proxy at the Special Meeting to constitute a quorum at the Special Meeting; and

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3. to approve, by non-binding, advisory vote, certain compensation that will or may become payable by the Company to its named executive officers in connection with the merger.

Quorum and Votes Needed (page 31)

A quorum of shareholders is necessary to hold the Special Meeting. For the purposes of the Special Meeting, to establish a quorum and transact business, a majority of the Class A shares and Class B shares, voting together as a single class, issued and outstanding as of the Record Date, and entitled to vote, must be present, either in person or by proxy, at the Special Meeting.

Shareholders may vote FOR or AGAINST, or they may ABSTAIN from voting on, any of the proposals presented at the Special Meeting. Votes cast FOR or AGAINST any of the proposals will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum and will be counted in the number of votes cast on the matter. Votes cast as ABSTAIN on any of the proposals will be treated as shares that are present and entitled to vote for the purposes of determining the presence of a quorum, but will not be counted in the number of votes cast on the matter.

In accordance with our operating agreement, the Special Meeting may be adjourned or postponed from time to time by the chairman of the meeting to another place or time, without regard to the presence of a quorum.

Shareholders may vote FOR or AGAINST, or they may ABSTAIN from voting on, the proposal to adopt the merger agreement. A majority of the Class A shares and Class B shares (voting together as a single class) outstanding and entitled to vote on the merger proposal must vote FOR the proposal in order for it to be approved. Because the vote on the proposal is based on the number of Class A shares and Class B shares outstanding, abstentions will have the same effect as voting AGAINST the approval of such proposal.

Shareholders may vote FOR or AGAINST, or they may ABSTAIN from voting on, each of the proposals to approve any postponements of the Special Meeting and to approve, by non-binding, advisory vote, certain compensation that will or may become payable by the Company to its named executive officers in connection with the merger. A majority of votes cast (with the Class A shares and Class B shares voting together as a single class) at the Special Meeting, whether or not a quorum is present, must vote FOR the proposal to approve any postponements of the Special Meeting, in order for it to be approved, and a majority of votes cast (with the Class A shares and Class B shares voting together as a single class) at the Special Meeting must vote FOR the proposal to approve, by non-binding, advisory vote, certain compensation that will or may become payable by the Company to its named executive officers in connection with the merger, in order for it to be approved. Abstentions will have no effect on the outcome of either proposal.

If a shareholder holds shares through a broker, bank or other nominee, generally the broker, bank or other nominee may vote the shares it holds in accordance with instructions received. If a shareholder does not give instructions to a broker, bank or other nominee, the proposals cannot be voted upon by such broker. Broker non-votes, if any, will have the same effect as voting AGAINST the proposal to approve the merger agreement and will have no effect on the outcome of the proposals to approve any postponements of the Special Meeting and to approve, by non-binding, advisory vote, certain compensation that will or may become payable by the Company to its named executive officers in connection with the merger.

Voting of Proxies (page 32)

You may vote by any one of the following means:

By Mail: To vote by mail, please sign, date and complete the proxy card and return it in the enclosed self-addressed envelope. No postage is necessary if the proxy card is mailed in the United States. If you

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hold your shares through a broker, bank or other nominee, they will give you separate instructions for voting your shares.

By Telephone or on the Internet: The telephone and Internet voting procedures established for shareholders of record are designed to authenticate your identity, to allow you to give your voting instructions and to confirm that those instructions have been properly recorded.

You can vote by calling the toll-free telephone number on your proxy card, []. Please have your proxy card in hand when you call. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

The website for Internet voting is []. Please have your proxy card in hand when you go online. As with telephone voting, you can confirm that your instructions have been properly recorded.

Telephone and Internet voting facilities for shareholders of record will be available 24 hours a day and will close on [], 2017 at 11:59 PM Eastern Time.

The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or other holder of record. Therefore, we recommend that you follow the voting instructions in the materials you receive from those parties.

If you vote by telephone or on the Internet, you do not have to return your proxy card or voting instruction card.

In Person or by Proxy: All shareholders of record may vote in person at the Special Meeting. You may also be represented by another person at the Special Meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares, you must take the following three steps in order to be able to attend and vote at the Special Meeting: (i) obtain a legal proxy from your broker, bank or other holder of record and present this legal proxy to the inspector of elections along with your ballot, (ii) contact our Investor Relations department to obtain an admission card and present the admission card to the inspector of elections and (iii) present an acceptable form of photo identification, such as a