

LANDAIR CORP  
Form SC TO-T/A  
January 21, 2003

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**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549**

**SCHEDULE TO/A  
(RULE 14d-100)**

TENDER OFFER STATEMENT UNDER  
SECTION 14(d) (l) OR 13(e) (l)  
OF THE SECURITIES EXCHANGE ACT OF 1934

(Amendment No. 4)

**LANDAIR CORPORATION**  
(Name of Subject Company (Issuer) )

**SCOTT M. NISWONGER (Offeror)**  
**JOHN A. TWEED (Offeror)**  
**LANDAIR ACQUISITION CORPORATION (Offeror)**  
(Names of Filing Persons (Identifying Status as Offeror, Issuer or Other Person) )

**Common Stock, par value \$.01 per share**  
(Title of Class of Securities)

**514757103**  
(CUSIP Number of Class of Securities)

**Scott M. Niswonger**  
**430 Airport Road**  
**Greeneville, TN 37745**  
**(423) 783-1300**  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications on Behalf of Filing Persons)

COPY TO:  
**William C. Argabrite**  
**Hunter, Smith & Davis LLP**  
**1212 North Eastman Road**  
**P.O. Box 3740**  
**Kingsport, Tennessee 37664**  
**(423) 378-8829**

**CALCULATION OF FILING FEE**

<b>Transaction Valuation*</b>	<b>Amount of Filing Fee**</b>
\$27,650,480	\$5,500

- \* Estimated for purposes of calculating filing fee only. Calculated as the product of \$13.00, the per share tender offer price for all of the outstanding shares of common stock of Landair Corporation and 2,126,960, the number of outstanding shares sought in the offer.
- \*\* The amount of the filing fee, calculated in accordance with Rule 0-11(d) of the Securities Exchange Act of 1934, as amended, equals 1/50th of one percent of the aggregate value of the cash offered by Messrs. Niswonger and Tweed and Landair Acquisition Corporation for such number of shares of Landair common stock.
- x Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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Amount Previously Paid: \$5,500

Filing Parties:

Scott M. Niswonger  
John A. Tweed  
Landair Acquisition Corporation

Form or Registration No.: 005-54679

Date Filed:

December 23, 2002

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Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

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SCHEDULE 13D INFORMATION

ITEM 12. EXHIBITS.

SIGNATURE PAGE

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**SCHEDULE 13D  
INFORMATION**

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**1** NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Scott M.  
Niswonger

---

**2**CHECK THE  
APPROPRIATE  
BOX IF A  
MEMBER OF A  
GROUP

(a)  x  
(b)  o

---

**3**SEC USE  
ONLY

---

**4**SOURCE OF  
FUNDS BK, PF

---

**5**CHECK BOX IF  
DISCLOSURE OR  
LEGAL  
PROCEEDINGS  
IS REQUIRED  
PURSUANT TO  
ITEM 2(d) OR  
2(e)

---

**6**CITIZENSHIP  
OR PLACE OF  
ORGANIZATION United  
States

---

**7** SOLE  
VOTING  
POWER  
**NUMBER**  
**OF** 4,242,630  
shares of Common  
Stock**SHARES**

---

**BENEFICIALLY 8** SHARED  
VOTING  
POWER  
**OWNED**  
**BY** 0 shares of  
Common  
Stock**EACH**

---

**REPORTING 9** SOLE  
DISPOSITIVE  
POWER  
**PERSON** 4,242,630  
shares of Common

---

**StockWITH**

---

**10** SHARED  
DISPOSITIVE  
POWER 0  
shares of Common  
Stock

---

**11**AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON shares of  
Common Stock,  
consisting of  
4,241,730 shares of  
Common Stock  
held directly and  
900 shares held  
indirectly.

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**12**CHECK BOX IF  
THE  
AGGREGATE  
AMOUNT IN  
ROW  
(11) EXCLUDES  
CERTAIN  
SHARES<sup>o</sup>

---

**13**PERCENT OF  
CLASS  
REPRESENTED  
BY AMOUNT IN  
ROW (11) 58.0%  
Common Stock

---

**14**TYPE OF  
REPORTING  
PERSON IN, HC

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**SCHEDULE 13D  
INFORMATION**

---

**1** NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

John A. Tweed

---

**2**CHECK THE  
APPROPRIATE  
BOX IF A  
MEMBER OF A  
GROUP

(a)  x  
(b)  o

---

**3**SEC USE  
ONLY

---

**4**SOURCE OF  
FUNDS BK, PF

---

**5**CHECK BOX IF  
DISCLOSURE OR  
LEGAL  
PROCEEDINGS  
IS REQUIRED  
PURSUANT TO  
ITEM 2(d) OR  
2(e)o

---

**6**CITIZENSHIP  
OR PLACE OF  
ORGANIZATION United  
States

---

**7** SOLE  
VOTING  
POWER  
**NUMBER**  
**OF** 967,536  
shares of Common  
Stock**SHARES**

---

**BENEFICIALLY 8** SHARED  
VOTING  
**POWER**  
**OWNED**  
**BY** 0 shares of  
Common  
Stock**EACH**

---

**REPORTING 9** SOLE  
DISPOSITIVE  
**POWER****PERSON** 967,536  
shares of Common  
Stock**WITH**

---



---

**10** SHARED  
DISPOSITIVE  
POWER 0  
shares of Common  
Stock

---

**11**AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON shares of  
Common Stock,  
consisting of  
967,536 shares of  
Common Stock  
held directly.

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**12**CHECK BOX IF  
THE  
AGGREGATE  
AMOUNT IN  
ROW  
(11) EXCLUDES  
CERTAIN  
SHARES<sub>o</sub>

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**13**PERCENT OF  
CLASS  
REPRESENTED  
BY AMOUNT IN  
ROW (11) 13.0%  
Common Stock

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**14**TYPE OF  
REPORTING  
PERSON IN

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**SCHEDULE 13D  
INFORMATION**

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<b>1</b>	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
	LANDAIR ACQUISITION CORPORATION
<hr/>	
<b>2</b>	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a)	<input checked="" type="checkbox"/> x
(b)	<input type="checkbox"/> o
<hr/>	
<b>3</b>	SEC USE ONLY
<hr/>	
<b>4</b>	SOURCE OF FUNDS BK
<hr/>	
<b>5</b>	CHECK BOX IF DISCLOSURE OR LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)
<hr/>	
<b>6</b>	CITIZENSHIP OR PLACE OF ORGANIZATION Tennessee
<hr/>	
<b>7</b>	SOLE VOTING POWER NUMBER OF 0 shares of Common Stock
<hr/>	
<b>8</b>	BENEFICIALLY SHARED VOTING POWER OWNED BY 0 shares of Common Stock
<hr/>	
<b>9</b>	SOLE DISPOSITIVE POWER PERSON 0 shares of Common Stock
<hr/>	
<b>10</b>	SHARED DISPOSITIVE POWER 0 shares of Common Stock
<hr/>	
<b>11</b>	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 0 shares of Common Stock

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**12**CHECK BOX IF THE  
AGGREGATE AMOUNT IN  
ROW (11) EXCLUDES  
CERTAIN SHARES<sub>o</sub>

---

**13**PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (11) 0%  
Common Stock

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**14**TYPE OF REPORTING  
PERSON CO

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**SCHEDULE TO**

This Amendment No. 4 amends and supplements the Tender Offer Statement and Schedule 13E-3 Transaction Statement on Schedule TO filed with the Securities and Exchange Commission on December 23, 2002 by Scott M. Niswonger, John A. Tweed and Landair Acquisition Corporation (the Purchasers ), as amended and supplemented on January 13, 2003, January 16, 2003 and on January 17, 2003 (the Schedule TO ). This schedule also amends (i) the Schedule 13D filed by Scott M. Niswonger on June 26, 2000, as amended on October 18, 2002, December 17, 2002, December 23, 2002, January 13, 2003, January 16, 2003 and January 17, 2003; (ii) the Schedule 13D filed by John A. Tweed on January 5, 2001, as amended on October 18, 2002, December 17, 2002, December 23, 2002, January 13, 2003, January 16, 2003 and January 17, 2003; (iii) the Schedule 13D filed by Landair Acquisition Corporation as a member of a group consisting of Purchasers on December 23, 2002, as amended on January 13, 2003, January 16, 2003 and January 17, 2003. The Schedule TO relates to the offer by Purchasers to purchase all of the outstanding shares of common stock, par value \$.01 per share (the Shares ), of Landair Corporation, a Tennessee corporation (the Company ), at a purchase price of \$13.00 per share, net to the seller in cash (the Offer Price ) upon the terms and subject to the conditions set forth in the Offer to Purchase dated December 23, 2002 (the Offer to Purchase ), as amended and supplemented by the amendment and supplement thereto dated January 13, 2003 (the Supplement ) and the Letter to the Shareholders of Landair Corporation dated January 15, 2003, and in the related Letter of Transmittal (which together, as they may be amended or supplemented from time to time, constitute the Offer ).

Unless otherwise stated below, the information set forth in the Offer to Purchase, as amended and supplemented by the Supplement (including all schedules thereto), the Letter to the Shareholders of Landair Corporation dated January 15, 2003 and the amendments included in Amendment No. 2 and Amendment No. 3 to the Schedule TO filed on January 16, 2003 and January 17, 2003, respectively, is hereby expressly incorporated herein by reference in response to all items of this Schedule TO, including, without limitation, all of the information required by Schedule 13E-3 that is not included or covered by the items in Schedule TO.

**ITEM 12. EXHIBITS.**

The Offer to Purchase and the Supplement attached as Exhibits (a)(1)(i) and (a)(1)(vi), respectively, to the Schedule TO are hereby amended and supplemented by amending the first full paragraph on page 16 of the Supplement to add the following sentence as the penultimate sentence of the paragraph:

Offerors and Purchaser did not rely on or adopt the analysis of the Special Committee or McDonald Investments in formulating the Offer Price or in determining the fairness of the Offer.

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**SIGNATURE PAGE**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

/s/ Scott M. Niswonger

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Scott M. Niswonger

/s/ John A. Tweed

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John A. Tweed

**LANDAIR ACQUISITION CORPORATION**

By: /s/ John A. Tweed

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Name: John A. Tweed  
Title: President

Dated: January 21, 2003

46;s management committees. The Board and its committees oversee risks associated with their respective principal areas of focus, summarized as follows:

The Board as a whole has primary responsibility for overseeing strategic, financial and execution risks associated with the Company's operations and operating environment, including: (i) significant changes in economic and market conditions worldwide that may pose significant risk to our overall business; (ii) major legal, regulatory and compliance matters that may present material risk to the Company's operations, plans, prospects or competitive position; (iii) strategic and competitive developments; and (iv) senior management succession planning. The Board reviews information concerning these, the ERM program, and other relevant matters that are regularly presented by management, including our Risk Committee, our Head of Internal Audit, our Chief Legal and Compliance Officer, as well as each of the committees of the Board.

The Audit Committee has primary responsibility for addressing risks relating to financial matters, particularly financial reporting, accounting practices and policies, disclosure controls and procedures, internal control over financial reporting and significant tax, legal and regulatory compliance matters. The Audit Committee discusses the development and maintenance of the Company's ERM program and has been delegated primary responsibility for overseeing certain specific risks identified therein. The Company's Head of Internal Audit also reports independently to the Audit Committee.

The Compensation Committee has primary responsibility for risks and exposures associated with the Company's compensation policies, plans and practices, regarding both executive compensation and the compensation structure generally, including whether it provides appropriate incentives and alignment of interests between our executives and the holders of our Class A Shares. Management has reviewed the Company's compensation policies and practices for our partners and employees as they relate to our risk management and reported its findings to the Compensation Committee. The Compensation Committee has concluded that our compensation policies and practices, as described in the section below entitled "Compensation Discussion and Analysis," encourage and reward prudent business judgment and appropriate risk-taking over the long term and do not create incentives for risk-taking that are reasonably likely to pose material risks to the Company.

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The Nominating, Corporate Governance and Conflicts Committee oversees risks associated with the independence of the Board and potential conflicts of interest.

### **Director Attendance at the Annual Meeting and Board and Committee Meetings**

Pursuant to our Corporate Governance Guidelines, all of our directors are expected to prepare for, attend and actively participate in all Board meetings and all meetings of any committee of the Board of which they are a member.

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Also, pursuant to our Corporate Governance Guidelines, our directors are encouraged to attend the Company's Annual Meetings. All of our directors attended the 2011 Annual Meeting in person. During the year ended December 31, 2011, the Board held eight meetings, the Audit Committee held six meetings, the Compensation Committee held two meetings and the Nominating, Corporate Governance and Conflicts Committee held two meetings. During 2011, each incumbent member of the Board attended 75% or more of the aggregate of the total number of meetings of the Board and the total number of meetings held by committees on which he or she served during the period for which he or she was a director or committee member.

### **Selection of Director Nominees**

Under the terms of the Class B Shareholders Agreement, the Class B Shareholder Committee is entitled to designate five nominees (out of seven total, unless the Class B Shareholder Committee approves an increase in the size of our Board) for election to our Board for so long as our partners and their permitted transferees collectively beneficially own Shares representing more than 50% of the total combined voting power of all our outstanding Shares. Currently, the sole member of the Class B Shareholder Committee is Mr. Och. Only four directors, Messrs. Och, Frank, Windreich and Griswell, currently have been designated by the Class B Shareholder Committee pursuant to the Class B Shareholders Agreement. The Class B Shareholder Committee will be entitled to designate between one and three nominees for election to our Board, depending upon whether our partners and their permitted transferees own Shares representing at least 10% and less than or equal to 50% of the total combined voting power of all our outstanding Shares. See Certain Agreements of Och-Ziff and the Och-Ziff Operating Group Entities Class B Shareholders Agreement.

With respect to other positions on the Board, the Nominating, Corporate Governance and Conflicts Committee makes a recommendation to the full Board as to any persons it believes should be nominated to serve as a member of the Board, and the Board determines the nominees after considering the recommendation and report of the Committee. The Nominating, Corporate Governance and Conflicts Committee will consider candidates for Board membership suggested by the Class B Shareholder Committee, other members of the Board, management and holders of our Class A Shares. The Nominating, Corporate Governance and Conflicts Committee and the Class B Shareholder Committee may retain the services of one or more third-party search firms to assist in identifying and evaluating potential candidates for Board membership. The Nominating, Corporate Governance and Conflicts Committee does not have a formal policy for consideration of director candidates recommended by our Shareholders, as our Corporate Governance Guidelines provide that such candidates will be evaluated using the same criteria as candidates recommended by members of our Board or management. Shareholders may recommend any person for consideration as a director nominee by writing to the Nominating, Corporate Governance and Conflicts Committee at Och-Ziff Capital Management Group LLC, 9 West 57<sup>th</sup> Street, New York, New York 10019, Attention: Office of the Secretary. Recommendations must include the name and address of the Shareholder making the recommendation, a representation that the Shareholder is a holder of our Shares, the full name of and biographical information about the individual recommended, including the individual's business experience for at least the five previous years and qualifications as a director, and any other information the Shareholder believes would be helpful to the Nominating, Corporate Governance and Conflicts Committee in evaluating the individual recommended.

Once a director candidate is identified, the Nominating, Corporate Governance and Conflicts Committee evaluates the candidate by considering criteria that it deems to be relevant. Although there are no specific minimum qualifications, the criteria evaluated by the Nominating, Corporate Governance and Conflicts Committee may include, among others, business experience and skills, independence, judgment, integrity, diversity, the ability to commit sufficient time and attention to Board activities, and the absence of actual and/or potential conflicts of interest. The Nominating, Corporate Governance and Conflicts Committee considers these criteria in the context of the perceived needs of the Board as a whole at any given time.

In evaluating whether to nominate an incumbent director whose term of office is about to expire, and subject to the rights of the Class B Shareholder Committee, the Nominating, Corporate Governance and Conflicts Committee also reviews the director's overall service to the Company during his or her term, including the number of meetings

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attended, participation in and contribution to the deliberation of the Board and its committees, independence matters, and the benefits of continuity among Board members. In the event such incumbent director is a member of the Committee, such director recuses himself or herself from that portion of the meeting. In accordance with this process, the Nominating, Corporate Governance and Conflicts Committee recommended that the Board of Directors nominate each of Messrs. Windreich and Griswell and Ms. Proctor for election as a Class II director at the 2012 Annual Meeting.

### **Communications with the Board**

Any Shareholder or other interested party who wishes to communicate directly with the Board as a group or any individual member of the Board should write to: The Board of Directors, c/o Och-Ziff Capital Management Group LLC, 9 West 57<sup>th</sup> Street, New York, New York 10019, Attention: Office of the Secretary. Any Shareholder or other interested party who wishes to communicate directly with the independent directors as a group or any individual independent member of our Board should write to: Independent Directors, c/o Och-Ziff Capital Management Group LLC, 9 West 57<sup>th</sup> Street, New York, New York 10019, Attention: Office of the Secretary.

Relevant communications will be distributed to any or all directors as appropriate depending on the facts and circumstances outlined in the individual communication. In accordance with instructions from the Board, the Office of the Secretary reviews all correspondence, organizes the communications for review by the Board and distributes such communications to the full Board, to the independent directors or to one or more individual members, as appropriate. In addition, at the request of the Board, communications that do not directly relate to our Board's duties and responsibilities as directors will be excluded from distribution. Such excluded items include, among others, spam, advertisements, mass mailings, form letters, and email campaigns that involve unduly large numbers of similar communications; solicitations for goods, services, employment or contributions; and surveys. Additionally, communications that appear to be unduly hostile, intimidating, threatening, illegal or similarly inappropriate will also be screened for omission. Any excluded communication will be made available to any director upon his or her request.

### **Code of Ethics**

The Board has adopted a Code of Business Conduct and Ethics (the "Code of Ethics") applicable to all of our employees, officers and partners, including our Chief Executive Officer and our Chief Financial Officer, and to all members of the Board. The Code of Ethics works in conjunction with the other compliance policies and procedures implemented by the Company. The Code of Ethics requires avoidance of conflicts of interest, compliance with all applicable laws and other legal requirements, conduct of business in an honest and ethical manner, integrity and actions in our best interest. Everyone subject to the Code of Ethics is required to report any suspected violation of the Code of Ethics or of any law, rule or regulation or internal corporate policy or any other unethical behavior to his or her supervisor or manager, our Chief Administrative Officer or a member of our Legal and Compliance Department. A copy of the Code of Ethics is available on our website ([www.ozcap.com](http://www.ozcap.com)) and may also be obtained upon written request to: Och-Ziff Capital Management Group LLC, 9 West 57<sup>th</sup> Street, New York, New York 10019, Attention: Office of the Secretary.

The Sarbanes-Oxley Act of 2002 requires companies to have procedures in place to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. We currently have such procedures in place and our Audit Committee is responsible for overseeing them.



**Table of Contents****PROPOSAL NO. 1****ELECTION OF CLASS II DIRECTORS****General**

Our Board currently consists of seven members. Our Board may consist of such other number of directors as may from time to time be determined by a majority of our Board to be appropriate in accordance with the terms of our Operating Agreement and the Class B Shareholders Agreement. Pursuant to the Operating Agreement, our Board is divided into three classes of approximately equal size. Each class of directors is elected for a three-year term, and the election of the classes is staggered such that only one class of directors is elected each year.

**Directors Standing for Election**

Three of our directors are standing for election: David Windreich, J. Barry Griswell and Georganne C. Proctor. Each of these nominees currently serves on the Board as a Class II director, and each has consented to serve for an additional three-year term ending at the 2015 Annual Meeting and when his or her successor is duly elected or appointed and qualified.

We do not know of any reason why any of the nominees would be unable to serve as a Class II director. However, if any of the nominees should become unavailable to serve, the Board may designate a substitute nominee or reduce the size of the Board. If the Board designates a substitute nominee, the persons named as proxies will vote FOR that substitute nominee.

**The Board of Directors unanimously recommends that Shareholders vote**

**FOR the election of Messrs. Windreich and Griswell and Ms. Proctor as Class II directors.**

The following table sets forth biographical information as of March 31, 2012 with respect to each nominee for director:

<b>Name</b>	<b>Director Class</b>	<b>Expiration of Term</b>	<b>Age</b>	<b>Position</b>
David Windreich	II	2012	54	Head of U.S. Investing
J. Barry Griswell	II	2012	63	Independent Director
Georganne C. Proctor	II	2012	55	Independent Director

Following are the biographies for our director nominees, including information concerning the particular experience, qualifications, attributes or skills that led the Nominating, Corporate Governance and Conflicts Committee and the Board to conclude that the director should continue to serve on the Board:

**David Windreich** joined our Board in November 2007 and is the Head of U.S. Investing. He is also a member of the Partner Management Committee and an Executive Managing Director of the Och-Ziff Operating Group. Prior to joining Och-Ziff at its inception in 1994, Mr. Windreich was a Vice President in the Equity Derivatives Department of Goldman, Sachs & Co. He began his career at Goldman Sachs in 1983 and became a Vice President in 1988. Mr. Windreich holds both a B.A. in Economics and an M.B.A. in Finance from the University of California, Los Angeles.

Mr. Windreich's experience and investment expertise have enabled him, together with Mr. Och and Mr. Frank, to develop and expand the Company's investment strategies and teams within the United States, Europe and Asia. He possesses extensive knowledge about the Company and its significant risk management processes, particularly those around the investment activities of the Och-Ziff funds. His service on the Board and as Head of U.S. Investing creates another critical link between management and the Board, providing the Board with the benefit of his perspectives on Och-Ziff's business and thereby enabling the Board to more effectively perform its oversight function.

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**J. Barry Griswell** joined our Board in June 2011 and is the Chair of our Compensation Committee. Mr. Griswell is the former Chairman and Chief Executive Officer of Principal Financial Group, Inc., a global investment management company, positions he held from 2002 to 2009 and 2000 to 2008, respectively. He remained a non-executive member of Principal Financial Group's Board of Directors until 2010. Prior to joining Principal Financial Group in 1988, Mr. Griswell served as President and Chief Executive Officer of MetLife Marketing Corporation. Mr. Griswell has been a member of the Board of Directors of National Financial Partners Corp. since 2010, where he is currently Chairman of the Compensation Committee and a member of the Nominating and Corporate Governance Committee. Since 2004, he has been a member of the Board of Directors of Herman Miller, Inc., where he currently is Chair of the Compensation Committee and a member of the Executive Committee. Mr. Griswell received a B.A. from Berry College and an M.B.A. from Stetson University.

Mr. Griswell is the former Chairman and Chief Executive Officer of a Fortune 500 company within the financial services industry. As a result, he has extensive executive leadership, management and operational experience with an organization that offered business, individuals and institutional clients a wide range of financial products and services, including retirement and investment services. Mr. Griswell's leadership of Principal Financial Group through its initial public offering, as well as his leadership as Chairman of the Board of Principal Financial Group brings to our Board of Directors valuable financial expertise and corporate governance experience.

**Georganne C. Proctor** joined our Board in June 2011. Ms. Proctor is the former Chief Financial Officer of TIAA-CREF, a national financial services organization, a position she held from 2006 to 2010. From 2003 to 2005, Ms. Proctor was Executive Vice President, Finance of Golden West Financial Corporation. Ms. Proctor served as Chief Financial Officer of Bechtel Group, Inc. from 1997 to 2002 and as a director of Bechtel from 1999 to 2002. Ms. Proctor has been a director of Redwood Trust, Inc. since 2006, where she currently is Chair of the Compensation Committee and a member of the Audit Committee. She served on the Board of Directors of Kaiser Aluminum Corporation from 2006 to 2009. Ms. Proctor holds a B.S. in Business Management from the University of South Dakota and an M.B.A. from California State University at Hayward.

Ms. Proctor has significant financial and accounting experience and has worked closely with boards and board committees throughout her career, including as the chief financial officer of large financial institutions. This experience provides her with a thorough understanding of public company reporting obligations, Sarbanes-Oxley compliance and planning, and treasury and liquidity management. Furthermore, her service on the audit and compensation committees of another public company gives her a strong background in the oversight of financial and corporate governance matters.

**Directors Continuing in Office**

The following table sets forth information as of March 31, 2012 with respect to each director continuing in office beyond the Annual Meeting:

Name	Director Class	Expiration of Term	Age	Position
Daniel S. Och	III	2013	51	Chairman of the Board and Chief Executive Officer
Joel M. Frank	I	2014	56	Chief Financial Officer and Senior Chief Operating Officer
Allan S. Bufferd	I	2014	74	Independent Director
Jerome P. Kenney	III	2013	70	Independent Director

Following are the biographies for our directors noted above, including information concerning the particular experience, qualifications, attributes or skills that led the Nominating, Corporate Governance and Conflicts Committee and the Board to conclude that the director should serve on the Board:

**Daniel S. Och** joined our Board in November 2007 in connection with our initial public offering. Mr. Och is our founder, Chairman of the Board and Chief Executive Officer. He is also Chair of the Partner Management

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Committee and an Executive Managing Director of the Och-Ziff Operating Group. Prior to founding Och-Ziff in 1994, Mr. Och spent eleven years at Goldman, Sachs & Co. He began his career in the Risk Arbitrage Department and later responsibilities included Head of Proprietary Trading in the Equities Division and Co-Head of U.S. Equities Trading. Mr. Och holds a B.S. in Finance from the Wharton School of the University of Pennsylvania.

Mr. Och's background as the founder of Och-Ziff in 1994 and his day-to-day leadership of Och-Ziff since then as Chief Executive Officer and Executive Managing Director enables him to bring to the Board valuable insights and perspectives about Och-Ziff, the alternative asset management industry and the global markets and economies, including a thorough understanding of the Company's business, operations and prospects.

**Joel M. Frank** joined our Board in November 2007. Mr. Frank is our Chief Financial Officer and Senior Chief Operating Officer, a member of the Partner Management Committee and an Executive Managing Director of the Och-Ziff Operating Group. Prior to joining Och-Ziff at its inception in 1994, Mr. Frank was with Rho Management Company, Inc. as its Chief Financial Officer from 1988 to 1994. Mr. Frank was previously with Manufacturers Hanover Investment Corporation from 1983 to 1988 as Vice President and Chief Financial Officer, and was with Manufacturers Hanover Trust from 1977 to 1983. Mr. Frank holds a B.B.A. in Accounting from Hofstra University and an M.B.A. in Finance from Fordham University. Mr. Frank is a C.P.A. certified in the State of New York.

Mr. Frank joined Och-Ziff at its inception in 1994 and, together with Messrs. Och and Windreich, helped to manage the Company's significant growth and evolution as a public company. Together with his deep and detailed knowledge of Och-Ziff, Mr. Frank brings extensive business, financial, operating and regulatory experience to the Board. His service on the Board and as Chief Financial Officer and Senior Chief Operating Officer creates a critical link between management and the Board, particularly regarding financial, risk management, accounting and internal control matters, enabling the Board to more effectively perform its oversight function.

**Allan S. Bufferd** joined our Board in November 2007, is Chair of the Audit Committee and is our Lead Independent Director. Mr. Bufferd has been Treasurer Emeritus of the Massachusetts Institute of Technology (MIT) since his retirement in May 2006 as MIT's Treasurer and Chief Investment Officer. From July 2004 until his retirement from MIT, Mr. Bufferd served as the first president of the MIT Investment Management Company, which provides stewardship of MIT's financial resources. Mr. Bufferd holds S.B., S.M. and Sc.D. degrees in Materials Engineering from MIT and a J.D. from Suffolk University. Mr. Bufferd is a director and a member of the Audit, Nominating and Remuneration Committees of City of London Investment Management Group. From August 2006 until December 2009, he served as a director of RAM Holdings Ltd., where he was a member of the Nominating and Corporate Governance Committee and Risk Management Committee. Mr. Bufferd also serves on the advisory boards of various private investment funds and as a director or trustee of various non-profit organizations.

During his 30-year career at MIT, Mr. Bufferd supervised the formulation and implementation of investment policy for \$12 billion of endowment and retirement fund assets of MIT. This experience provides him with a thorough understanding of institutional asset management and the hedge fund industry. Mr. Bufferd is a current or former member of a large number of corporate, foundation and investment advisory boards, and he possesses strong leadership and communication skills, well suited to his position as Lead Independent Director. Furthermore, his service on the audit, compensation and governance committees of other public companies gives him a strong background in corporate governance.

**Jerome P. Kenney** joined our Board in November 2007 and is Chair of the Nominating, Corporate Governance and Conflicts Committee. Mr. Kenney currently serves as a senior advisor to BlackRock, a leading asset management firm. Mr. Kenney was Vice-Chairman and member of the Executive Client Coverage Group of Merrill Lynch & Co., Inc., currently the investment banking and wealth management division of Bank of America Corporation, positions he held from February 2002 to August 2008. From 1990 to 2002, Mr. Kenney served as the head of Corporate Strategy, Business Development and Research, and oversaw Corporate Credit, Marketing and Government Relations at Merrill Lynch. From 1985 to 1991, he served as President and Chief Executive Officer of the Merrill Lynch Global Markets and Investment Banking Group and as a member of the Board of Directors of

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Merrill Lynch. Mr. Kenney was previously a member of the Board of Directors of Invesco Ltd., where he served on its Audit, Compensation and Nominating and Corporate Governance Committees and also of Freddie Mac (formerly known as Federal Home Loan Mortgage Corporation), where he served on its Audit, Compensation and Human Resources Committees. Mr. Kenney holds a B.A. in Economics from Yale University and an M.B.A. in Finance from Kellogg School of Management at Northwestern University.

Mr. Kenney has extensive experience in the global financial services and asset management businesses due in large part to his service as a senior executive officer of Merrill Lynch. For more than 30 years, Mr. Kenney had responsibility in several areas, including Merrill Lynch's firm wide corporate strategy, international and domestic business development, M&A and government relations as well as its equity, fixed income, derivative, currency and commodities trading businesses. Mr. Kenney also served for several years as the head of Merrill Lynch's Risk Management Committee. Mr. Kenney's prior service on the boards and independent board committees of other public companies in the financial industry provides him with valuable experience in corporate governance, compensation and audit and financial reporting matters.

**Table of Contents****PROPOSAL NO. 2****RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED****PUBLIC ACCOUNTING FIRM****General**

Our Audit Committee has appointed Ernst & Young LLP as our independent registered public accounting firm for the year ended December 31, 2012. In connection with this appointment, Ernst & Young LLP will examine and report to Shareholders on the consolidated financial statements of the Company and its subsidiaries for 2012. Ernst & Young LLP is an independent registered public accounting firm, and has served as our independent registered public accounting firm since our IPO in 2007. Ernst & Young LLP also currently serves, and in prior years has served, as the independent auditors for the Och-Ziff funds.

Although not required, the Board has put this proposal before the Shareholders because it believes that seeking Shareholder ratification of the Audit Committee's appointment of our independent registered public accounting firm is good corporate practice. This vote is only advisory, however, because the Audit Committee has the sole authority to retain and dismiss our independent registered public accounting firm. If the appointment of Ernst & Young LLP is not ratified, the Audit Committee will evaluate the basis for the Shareholders' vote when determining whether to continue the firm's engagement. Even if the appointment is ratified, the Audit Committee in its sole discretion may direct the appointment of a different independent registered public accounting firm at any time if it determines that such a change would be in the best interests of the Company and its Shareholders.

Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting and are expected to be available to respond to appropriate questions from Shareholders. They also will have the opportunity to make a statement if they desire to do so.

**The Board of Directors unanimously recommends that Shareholders vote****FOR the ratification of the Audit Committee's appointment of Ernst & Young LLP****as our independent registered public accounting firm for 2012.****Principal Accountant Fees and Services**

The following table summarizes the aggregate fees billed for professional services provided to Och-Ziff by Ernst & Young LLP for the years ended December 31, 2011 and December 31, 2010:

<b>Fee Category</b>	<b>2011</b>	<b>2010</b>
Audit Fees(1)	\$ 3,553,000	\$ 2,857,500
Audit-Related Fees(2)	\$ 196,000	\$ 72,000
Tax Fees(3)	\$ 2,800,680	\$ 2,785,874
<b>Total Fees</b>	<b>\$ 6,549,680</b>	<b>\$ 5,715,374</b>

- (1) *Audit Fees.* Consist of fees for professional services provided in connection with the annual audit of our consolidated financial statements, the annual audit of internal control over financial reporting and the services that an independent registered public accounting firm would customarily provide in connection with subsidiary audits, other regulatory filings, and similar engagements, such as attest services, comfort letters, consents and reviews of documents filed with or submitted to the SEC.
- (2) *Audit-Related Fees.* Consist of fees for services rendered in connection with the review of our initial XBRL filings, the audits of our employee benefit plans and agreed-upon procedures related to our term loans.

- (3) *Tax Fees.* Consist of the aggregate fees billed for tax compliance, which generally involves assistance in preparing, reviewing or filing various tax related filings in the U.S. and in foreign jurisdictions, and tax consulting.

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Ernst & Young LLP also provides audit and tax consulting and compliance services to the Och-Ziff funds. During 2011, fees for these services were approximately \$5.3 million for audit fees and \$2.9 million for tax fees. During 2010, fees for these services were approximately \$4.7 million for audit fees and \$2.4 million for tax fees. The fees for these services are provided to and paid by the Och-Ziff funds and therefore are not included in the above table.

The Audit Committee determined that the non-audit services provided by Ernst & Young LLP during the year ended December 31, 2011 were compatible with maintaining the independence of Ernst & Young LLP.

### **Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm**

Our Audit Committee has adopted a policy implementing the SEC's rules requiring it to pre-approve all audit, audit-related and all permissible non-audit services performed by our independent registered public accounting firm. These pre-approval requirements are intended to comply with rules of the SEC and Public Company Accounting Oversight Board, which are applicable to all public companies, and to help assure that the provision of services does not impair our independent registered public accounting firm's independence from Och-Ziff. The policy specifically sets forth services that are pre-approved, as well as services that are prohibited. Any request to provide a service that has been pre-approved by the Audit Committee is submitted to the Chief Executive Officer or the Chief Financial Officer for authorization. If there is any question as to whether a service has been pre-approved, the Audit Committee or the Chair of the Audit Committee is consulted for a determination. The term of any pre-approval is 12 months from the date of pre-approval, unless the Audit Committee specifically provides for a different period.

For services not specifically pre-approved pursuant to the policy, a written request will be submitted in advance to the Audit Committee by management along with documentation describing the scope of the proposed service, the fee structure for the service and any other relevant information. Prior to approving any service, the Audit Committee must discuss with the independent registered public accounting firm the potential effects of the proposed services on the independent registered public accounting firm's independence and seek management's views on whether the requested services are consistent with the policy as well as applicable law.

Our Audit Committee has delegated to Mr. Bufferd, Chairman of our Audit Committee, the authority to approve any audit, audit-related or non-audit services to be provided to us by our independent registered public accounting firm. Any approval of services pursuant to this delegated authority is reported on at the next meeting of the Audit Committee.

### **Audit Committee Report**

The Audit Committee reviews our financial reporting process on behalf of the Board. Management has the primary responsibility for the financial statements, the reporting process and maintaining our system of internal control over financial reporting. Our independent registered public accounting firm was engaged to audit and express opinions on the conformity of our financial statements to generally accepted accounting principles in the United States, or U.S. GAAP, and the effectiveness of our internal control over financial reporting.

In this context, the Audit Committee has reviewed and discussed the audited financial statements prepared for inclusion in our Annual Report on Form 10-K for the year ended December 31, 2011 and our internal control over financial reporting with management and Ernst & Young LLP, our independent registered public accounting firm. The Audit Committee also has reviewed and discussed with Ernst & Young LLP the matters required to be discussed by Statement on Auditing Standards, AU Section 380 (SAS No. 61), *Communications with Audit Committees*, as amended and as adopted by the Public Company Accounting Oversight Board. As part of that review, the Audit Committee has received the written disclosures and the letter from Ernst & Young LLP regarding communications with the Audit Committee concerning independence that are required by applicable rules of the Public Company Accounting Oversight Board and has discussed with Ernst & Young LLP its independence from management and the Company.

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Relying on the reviews and discussions referred to above, the Audit Committee recommended to the Board, and the Board has approved, the inclusion of the audited financial statements in our Annual Report on Form 10-K for the year ended December 31, 2011, for filing with the SEC.

Submitted by the members of the Audit Committee:

Allan S. Bufferd, Chair

J. Barry Griswell

Jerome P. Kenney

Georganne C. Proctor



**Table of Contents****OWNERSHIP OF SECURITIES****Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth the beneficial ownership of our Class A Shares, Class B Shares and the Och-Ziff Operating Group A Units, which are exchangeable for our Class A Shares on a one-for-one basis (or, at our option, a cash equivalent), subject to vesting, minimum retained ownership requirements and transfer restrictions. The information is presented as of March 13, 2012 with respect to (i) each person known to us to beneficially own more than 5% of either class of our outstanding Shares, (ii) each of our directors, including nominees for director, (iii) each of the Named Executive Officers (as set forth below), and (iv) all directors, including our director nominees, and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. To our knowledge, each person named in the table below has sole voting and investment power with respect to all of the equity shown as beneficially owned by such person, except as otherwise set forth in the notes to the table and pursuant to applicable community property laws (or other beneficial ownership shared with a spouse). Unless otherwise indicated, the address of each person named in the table is c/o Och-Ziff Capital Management Group LLC, 9 West 57<sup>th</sup> Street, New York, New York 10019.

Name and Address of Beneficial Owner	Och-Ziff Operating Group		Och-Ziff Capital Management Group LLC				Total Voting Power(3)
	Och-Ziff Operating Group A Units(1)		Class A Shares(1)		Class B Shares(1)(2)		
	Amount and Nature of Beneficial Ownership	Percent of Class	Amount and Nature of Beneficial Ownership	Percent of Class	Amount and Nature of Beneficial Ownership	Percent of Class	
<i>Named Executive Officers</i>							
Daniel S. Och	154,989,380(4)	52.1%	1,425,400(5)	1.0%(5)	274,286,008	100%(6)	66.6%(7)
David Windreich(8)	35,858,683	12.1%	401,670	0.3%			0.1%
Joel M. Frank(9)	6,867,431	2.3%					
Michael L. Cohen(10)	21,453,940	7.2%	49,720	*			*
Jeffrey C. Blockinger(11)	1,155,917	0.4%	9,329	*			*
<i>Principal Shareholders</i>							
DIC Sahir Limited			38,138,571(12)	27.3%(12)			9.2%
Ziff Investment Management L.L.C.	23,011,966	7.7%	5,745,081(13)	4.1%(13)			1.4%
<i>Directors and Nominees for Director</i>							
Allan S. Bufferd			34,063	*			*
J. Barry Griswell			20,000	*			*
Jerome P. Kenney			54,063	*			*
Georganne C. Proctor							
<i>All Directors and Executive Officers as a Group (11 persons)</i>							
	243,131,500	81.8%	1,994,245(5)	1.4%(5)	274,286,008	100%	66.7%

\* Less than 1%

- (1) Our partners and the Ziffs are parties to an exchange agreement with Och-Ziff, our intermediate holding companies and each of the Och-Ziff Operating Group entities (the Exchange Agreement), under which each partner and the Ziffs are entitled to exchange any Och-Ziff Operating Group A Units they hold for our Class A Shares on a one-for-one basis, subject to exchange rate adjustments for splits, unit distributions and reclassifications and subject to vesting, minimum retained ownership requirements and transfer restrictions. Each of our partners owning Class B Shares holds a number of Class B Shares equal to the number of Och-Ziff Operating Group A Units held by such partner. See Note (2) below. Upon any such exchange of Och-Ziff Operating Group A Units the exchanging person's corresponding Class B Shares will be automatically canceled and, as a result, there will be no effect on the voting power of the exchanging person or number of voting Shares outstanding, other than with respect to exchanges by the Ziffs (the Ziffs do not hold any Class B Shares and, assuming the exchange by the Ziffs of all of their remaining Och-Ziff Operating Group A Units,

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23,011,966 Class A Shares would be issued to the Ziffs). Exchanges of vested Och-Ziff Operating Group A Units for our Class A Shares generally may be made as and when approved by the Chairman, currently Mr. Och, of an exchange committee comprised of the members of the Partner Management Committee (which Partner Management Committee is provided for by the limited partnership agreements for each of the Och-Ziff Operating Group entities). For additional detail with respect to the rights of our partners and the Ziffs to exchange their Och-Ziff Operating Group A Units, please see Certain Agreements of Och-Ziff and the Och-Ziff Operating Group Entities Exchange Agreement.

- (2) The Class B Shares entitle the holders to one vote per share, but have no economic rights. Each of our partners owning Class B Shares holds an equal number of Och-Ziff Operating Group A Units. All of our Class B Shares are held by our partners, and each of our partners owning Class B Shares (including each of our Named Executive Officers) granted to the Class B Shareholder Committee, the sole member of which is currently Mr. Och, an irrevocable proxy to vote all of his Class B Shares as such Committee shall determine. This proxy will terminate upon the later of (i) Mr. Och's withdrawal, death or disability or (ii) such time as our partners hold less than 40% of the total combined voting power of our Company. See Certain Agreements of Och-Ziff and the Och-Ziff Operating Group Entities Class B Shareholders Agreement Class B Shareholder Committee; Proxy and Approval Rights.
- (3) Based on 414,098,503 Shares (139,812,495 Class A Shares and 274,286,008 Class B Shares) issued and outstanding as of March 13, 2012.
- (4) This amount includes beneficial ownership interests held by Mr. Och and certain trusts (the Trusts ). These Trusts hold approximately 60.4% of Mr. Och's aggregate beneficial ownership of OZ Management and OZ Advisors II and approximately 50.6% of his aggregate beneficial ownership of OZ Advisors I. Mr. Och and these Trusts collectively beneficially own proportionate interests in each of the Och-Ziff Operating Group entities, but such interests are held disproportionately by Mr. Och and each of the individual Trusts. Interests in each of the Och-Ziff Operating group entities may only be exchanged for Class A Shares if and when they are combined to form Och-Ziff Operating Group A Units. The amounts in the table above reflect the collective beneficial ownership of Och-Ziff Operating Group A Units held by Mr. Och and the Trusts and, accordingly, assume that the disproportionate interests held by Mr. Och and each of the individual Trusts are combined to form Och-Ziff Operating Group A Units.
- (5) Pursuant to the terms of a Securities Purchase and Investment Agreement by and among the Company, DIC Sahir Limited and Dubai International Capital LLC, dated as of October 29, 2007 (the Securities Purchase Agreement ), Mr. Och may be deemed to possess dispositive power with respect to the 38,138,571 Class A Shares held by DIC due to certain drag-along rights in the Securities Purchase Agreement. Mr. Och disclaims beneficial ownership of such Class A Shares held by DIC and therefore such shares are not reflected as beneficially owned by him in the table above.
- (6) Mr. Och has direct beneficial ownership of 154,989,380 Class B Shares and, as the sole member of the Class B Shareholder Committee, has beneficial ownership of the 119,296,628 Class B Shares held by the other partners that are subject to the irrevocable voting proxy described in Note (2) above.
- (7) The total voting power percentage shown for Mr. Och reflects all Class B Shares subject to the irrevocable voting proxy described in Note (2) above and in Certain Agreements of Och-Ziff and the Och-Ziff Operating Group Entities Class B Shareholders Agreement Class B Shareholder Committee; Proxy and Approval Rights. The total voting power percentage shown does not include any of the Class A Shares held by DIC Sahir with respect to which Mr. Och disclaims beneficial ownership as described in Note (5) above.
- (8) Mr. Windreich's beneficial ownership includes 27,710,476 Och-Ziff Operating Group A Units that are held by certain trusts. Mr. Windreich also holds 35,858,683 Class B Shares, with respect to which he has granted an irrevocable voting proxy to the Class B Shareholder Committee as described in Note (2) above.

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- (9) Mr. Frank's beneficial ownership includes 2,268,196 Och-Ziff Operating Group A Units that are held by certain trusts. Mr. Frank holds 6,867,431 Class B Shares, with respect to which he has granted an irrevocable voting proxy to the Class B Shareholder Committee as described in Note (2) above.
- (10) Mr. Cohen's beneficial ownership includes 7,124,920 Och-Ziff Operating Group A Units that are held by certain trusts. Mr. Cohen also holds 21,453,940 Class B Shares, with respect to which he has granted an irrevocable voting proxy to the Class B Shareholder Committee as described in Note (2) above.
- (11) Mr. Blockinger's beneficial ownership includes 153,982 Och-Ziff Operating Group A Units that are held by certain trusts. Mr. Blockinger also holds 1,155,917 Class B Shares, with respect to which he has granted an irrevocable voting proxy to the Class B Shareholder Committee as described in Note (2) above.
- (12) Based solely on information received from the beneficial owners on March 5, 2012, DIC Sahir, DIC Poland sp z.o.o. ( DIC Poland ), DIC, Dubai Holding Investment Group LLC ( DHIG ), Dubai Holding LLC ( Dubai Holding ), Ahmad Abdulla Juma BinByat and Mohammad Abdullah Ali Al Gergawi have shared dispositive power over these shares. DIC Poland is a wholly owned subsidiary of DIC Sahir, which is a wholly owned subsidiary of DIC. DIC is a wholly owned subsidiary of DHIG, which is a wholly owned subsidiary of Dubai Holding, which is majority-owned by certain members of the Ruling Family of Dubai in their private capacity. The address for DIC Sahir, DIC Poland, DIC and Mr. BinByat is c/o Dubai International Capital LLC, The Gate, East Wing 13th Floor, DIFC, Sheikh Zayed Road, Dubai, United Arab Emirates. The address for DHIG, Dubai Holding and Mr. Gergawi is c/o Dubai Holding LLC, Emirates Towers, Offices, Level 49, P.O. Box 73311, Dubai, United Arab Emirates.
- (13) Information based solely on a Schedule 13G, Amendment No. 2 filed by ZIP Public Equities, L.P. ( ZIP ), Ziff Investment Management, L.L.C. ( ZIM ), Robert D. Ziff and Daniel M. Ziff with the SEC on February 14, 2012. Each has shared voting and dispositive power over 5,745,081 Class A Shares as of December 31, 2011. Partnerships of which ZIM is the general partner, including ZIP, are owners of record of the Class A Shares. The address for ZIP, ZIM, Robert D. Ziff and Daniel M. Ziff is 350 Park Avenue, New York, New York 10022.

Beneficial ownership has been determined in accordance with SEC rules, which generally attribute beneficial ownership of securities to each person who possesses, either alone or shared with others, the power to vote or dispose of such securities. The rules also treat as beneficially owned all securities that would be receivable upon the conversion or vesting of derivative securities within 60 days as of the determination date. None of our executive officers or directors has received any equity grants that will vest in the 60 days after March 13, 2012.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers and directors, and persons who beneficially own more than 10% of our Class A Shares, to file with the SEC reports of ownership and changes in ownership of Class A Shares. To the Company's knowledge, and based on a review of the copies of such reports filed with the SEC or provided to us, together with written representations from our officers and directors that no other reports were required to be filed during 2011, we believe that during the year ending December 31, 2011, our executive officers, directors and shareholders who beneficially own more than 10% of our Class A Shares filed on a timely basis all reports due under Section 16(a).

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**EXECUTIVE AND DIRECTOR COMPENSATION**

**Compensation Discussion and Analysis**

***Highlights of 2011 Compensation***

The compensation paid to our partners, including each of the individuals listed in the Summary Compensation Table below (each, a Named Executive Officer), in 2011 was consistent with our long-term compensation philosophy of aligning the interests of our partners with those of the investors in the Och-Ziff funds and our Class A Shareholders by providing them with income payments based primarily on their interests in our business. In 2011:

Neither our Chief Executive Officer, Mr. Och, nor our Chief Financial Officer, Mr. Frank, received any salary, bonus, cash compensation or other discretionary compensation except for certain limited perquisites of the type that we have customarily paid to all of our partners.

None of our three other Named Executive Officers received any salary, bonus, or other discretionary compensation, except for the limited perquisites that we have customarily paid to all of our partners and Mr. Blockinger's distributions on Och-Ziff Operating Group D Units, which are non-equity profit interests in the Och-Ziff Operating Group entities.

We did not grant any equity awards to any of our Named Executive Officers in 2011. In June and December 2011, however, certain partners departed the firm and their unvested Och-Ziff Operating Group A Units were reallocated on a pro rata basis to our other partners consistent with the terms of the limited partnership agreements of each of the Och-Ziff Operating Group entities (the Operating Group Limited Partnership Agreements) and other relevant agreements entered into in connection with our initial public offering.

We did not make any distributions on the Class C non-equity interests in the Och-Ziff Operating Group (Class C Non-Equity Interests) held by our partners, including each of our Named Executive Officers.

***Background***

Each of our Named Executive Officers is a partner of the Och-Ziff Operating Group entities. The compensation of all our partners, with limited exceptions, is substantially through their interests in the Och-Ziff Operating Group entities. For that reason, the discussion below addresses our compensation philosophy for our partners in general, including our CEO, CFO and other Named Executive Officers.

Since our inception in 1994, our objective in setting compensation for our partners was to align their interests with those of the investors in the Och-Ziff funds by entering into agreements with our partners that provide for the payment of discretionary distributions on their interests in the Och-Ziff Operating Group as their primary form of compensation. To further align interests, we have offered them the opportunity to invest their own capital in our funds. When we became a public company in November 2007, we continued implementing this objective and also sought to significantly align the interests of our partners with those of our Class A Shareholders by reclassifying each partner's interests in the Och-Ziff Operating Group as Och-Ziff Operating Group A Units, which represent common equity interests in the Och-Ziff Operating Group entities. The Och-Ziff Operating Group A Units are exchangeable for our Class A Shares on a one-for-one basis (subject to certain exchange rate adjustments for splits, unit distributions and reclassifications). The holders of such Och-Ziff Operating Group A Units generally receive distributions only when corresponding distributions are made to our Class A Shareholders. The Och-Ziff Operating Group A Units generally are subject to ratable annual vesting through 2012 and are subject to minimum retained ownership requirements and transfer restrictions. In addition, all of our partners hold a Class C Non-Equity Interest, through which the Compensation Committee, together with the Chairman of the Partnership Management Committee, may determine to make discretionary income allocations. These interests were issued to our partners to provide us with flexibility in compensating our partners and to help ensure our ability to attract and retain top executive talent. Since our initial public offering, we have not issued any additional Class C Non-Equity Interests and have not made any distributions on the Class C Non-Equity Interests. We currently do not intend to issue additional Class C Non-Equity Interests or make distributions on any Class C Non-Equity Interests.



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The terms of the Och-Ziff Operating Group A Units, Class C Non-Equity Interests and other interests in the Och-Ziff Operating Group entities that are and may be held by our partners are set forth in the Operating Group Limited Partnership Agreements. These Agreements are the organizational documents of the entities within the Och-Ziff Operating Group and contain other important provisions regarding the structure and management of the Och-Ziff Operating Group, including the terms for the admission of new partners and the withdrawal of existing partners, as described in Certain Agreements of Och-Ziff and the Och-Ziff Operating Group Entities Limited Partnership Agreements of the Och-Ziff Operating Group Entities.

Since our initial public offering, new partners have been admitted to the Och-Ziff Operating Group, including Mr. Blockinger and, in connection with their admission, were issued Och-Ziff Operating Group D Units, which represent non-equity profit interests in the Och-Ziff Operating Group entities. The Och-Ziff Operating Group D Units receive cash distributions equal in amount to, and at the same time as, distributions paid on Och-Ziff Operating Group A Units, which correspond to dividends paid to holders of our Class A Shares. Each Och-Ziff Operating Group D Unit automatically converts into an Och-Ziff Operating Group A Unit if and when the general partners of the Och-Ziff Operating Group entities determine there has been sufficient appreciation, as defined in the Operating Group Limited Partnership Agreements, to result in such Och-Ziff Operating Group D Unit becoming economically equivalent to one Och-Ziff Operating Group A Unit.

Since our initial public offering, certain partners have withdrawn from the Och-Ziff Operating Group. Upon the withdrawal of a partner, the Operating Group Limited Partnership Agreements generally provide that (i) the withdrawing partner forfeits any unvested Och-Ziff Operating Group Units held on the date of withdrawal, and (ii) the forfeited unvested Och-Ziff Operating Group Units are reallocated to the continuing partners on a pro rata basis in the same form as then held by such continuing partners. The vesting provisions of the reallocated Units generally are unaffected by any reallocation, although the Partner Management Committee (see Certain Agreements of Och-Ziff and the Och-Ziff Operating Group Entities Limited Partnership Agreements of the Och-Ziff Operating Group Entities Partner Management Committee for additional information about this Committee) has the right to amend the vesting terms of any Units held by the partners. Certain information about reallocations that occurred in 2011 and prior periods are set forth in the Summary Compensation Table and the disclosures that follow.

We believe that ownership by our partners, including each of our Named Executive Officers, of substantial interests in the Och-Ziff Operating Group affords significant alignment with our Class A Shareholders as well as the investors in our funds. We also believe that it strengthens our culture of teamwork and collaboration. Furthermore, we continue to encourage our executive officers and other partners to invest their own capital in the funds that we manage. Our partners continue to have significant interests in our funds.

### ***Compensation Philosophy and Process***

We believe that our long-term philosophy of seeking to align the interests of our partners with those of the investors in our funds and our Class A Shareholders has been a key contributor to our historical growth and success. In furtherance of this philosophy, our compensation programs are designed to attract, retain and motivate executives and other professionals of the highest level of talent and effectiveness. Our Compensation Committee and management regularly reevaluate our compensation programs to ensure we are meeting these objectives.

The Compensation Committee reviews the goals and objectives relevant to our Chief Executive Officer's compensation. Mr. Och's compensation is, for the reasons noted above, currently limited to certain perquisites and Och-Ziff Operating Group A Units received in reallocations effected in accordance with the Operating Group Limited Partnership Agreements. Pursuant to those Agreements, Mr. Och has received and may in the future receive his pro rata portion of unvested Och-Ziff Operating Group Units forfeited by partners who have withdrawn from the Och-Ziff Operating Group, as described above. Such forfeited Units are reallocated on a pro rata basis to all Continuing Partners (as defined in the Operating Group Limited Partnership Agreements). Considering these items, the Compensation Committee evaluates Mr. Och's performance annually to determine whether to provide any

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additional cash or equity-based compensation in recognition of Mr. Och's performance. The Compensation Committee determined that Mr. Och's compensation remained appropriate in form and, with respect to perquisites, amount, and the Committee therefore made no changes to Mr. Och's compensation for 2011. The Committee also determined that Mr. Och's compensation was consistent with the compensation paid to our other Named Executive Officers and partners.

The Compensation Committee, with input from the Chief Executive Officer, also reviews the goals and objectives relevant to each of our other Named Executive Officers and similarly undertakes annual performance evaluations to determine whether to provide any additional compensation to these executives.

Furthermore, our Compensation Committee may, in its sole discretion, consider recommendations of the Chairman of the Partner Management Committee solely with respect to discretionary income allocations payable on Class C Non-Equity Interests to those of our partners who are also our executive officers. To date, we have not provided any performance-based incentive compensation to any Named Executive Officer (or any partner), nor have we made any distributions on any Class C Non-Equity Interests.

The Compensation Committee is also provided with information concerning the Company's practices for compensating its managing directors and other employees. In general, all managing directors execute a managing director agreement with us, which provides for a fixed annual salary and an annual discretionary bonus, payable in a mix of cash and Class A Restricted Share Units. Employees are compensated with a fixed salary, may receive an annual discretionary bonus and do not have employment agreements with us. In general, our employee compensation programs are designed to enable us to attract and retain the most talented employees in our industry in keeping with our one-firm, team-based culture, which emphasizes employee collaboration and the success of our Company as a whole. These attributes foster alignment with our Class A Shareholders and investors in our funds. The annual discretionary cash bonuses we pay represent a significant element of our annual compensation and benefits program and are determined in accordance with our team-based culture and, for any given year, are based on a combination of individual performance and the Company's annual financial performance.

## **Compensation and Risk**

As noted in the section above entitled *Board Role in Risk Oversight*, our compensation program includes elements that discourage excessive risk-taking and that align the compensation of our partners, managing directors and other employees with our long-term performance. For example all Och-Ziff Operating Group Units held by our partners are, or have been subject to multi-year service vesting conditions and a minimum retained ownership requirement. In addition, the Class A Restricted Share Units held by our partners, managing directors and other employees are also generally subject to multi-year service vesting conditions. Because of these significant vesting provisions, the actual amount of compensation realized by our partners, managing directors and other employees is tied to our long-term performance.

### ***Shareholder Votes on Executive Compensation***

At our 2011 annual meeting of Shareholders, our Shareholders voted to hold an advisory vote on executive compensation every three years. Consistent with that vote, the Board resolved to accept the Shareholders' recommendation. The next advisory vote on executive compensation will be held at the 2014 annual meeting of Shareholders.

At our 2011 annual meeting of Shareholders, our Shareholders also expressed their support of the Company's executive compensation programs. Approximately 94% of the votes cast supported our executive compensation policies and practices. The Compensation Committee viewed the vote as an expression of our Shareholders' general satisfaction with the Company's current executive compensation programs. As a result, the Compensation Committee decided that it was not necessary to implement changes to our executive compensation programs as a result of the shareholder advisory vote.

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**Table of Contents****Employment Agreements, Severance Benefits and Change in Control Provisions*****Partner Agreements***

In furtherance of our long-term philosophy of seeking to align the interests of our partners with those of the investors in our funds, on September 30, 2009, each of the Och-Ziff Operating Group entities entered into an agreement with Mr. Blockinger in connection with his admission as a partner of the Och-Ziff Operating Group. Under the terms of the agreements, he was granted 400,000 Class A Shares and 450,000 Class A Restricted Share Units, which units accrue dividend equivalent units and vested in equal annual installments on January 1, 2010, 2011 and 2012. As described in the *Potential Payments Upon Termination or Change in Control* below, as of December 31, 2011, the Class A Restricted Share Units would have continued to vest in the event that Mr. Blockinger was terminated without cause, died or became disabled so long as he continued to comply with any post-termination obligations to which he is subject or the Class A Restricted Share Units would be subject to accelerated vesting in the event that Mr. Blockinger was terminated without cause (as defined in the applicable award agreements) within one year following a change in control. Mr. Blockinger also received 1,150,000 Och-Ziff Operating Group D Units, which are non-equity profit interests in the Och-Ziff Operating Group entities that receive cash distributions equal in amount to, and at the same time as, distributions paid on Och-Ziff Operating Group A Units, which correspond to dividends paid to holders of our Class A Shares.

On March 16, 2010, pursuant to the terms of the Operating Group Limited Partnership Agreements, each of our partners as of that date, including Mr. Blockinger, was allocated his pro rata share of unvested Och-Ziff Operating Group A Units forfeited by certain partners of the Och-Ziff Operating Group. As a result of this reallocation, the Named Executive Officers received their proportional share of the forfeited Och-Ziff Operating Group A Units and Mr. Blockinger received an additional 14,187 Och-Ziff Operating Group D Units pursuant to the terms of certain partnership agreements entered into with Mr. Blockinger.

On June 22, 2011, pursuant to the terms of the Operating Group Limited Partnership Agreements, each of our partners as of that date, including Mr. Blockinger was allocated his pro rata share of unvested Och-Ziff Operating Group Units forfeited by a partner of the Och-Ziff Operating Group. As a result of this reallocation, the Named Executive Officers received their proportional share of the forfeited Och-Ziff Operating Group A Units (other than Mr. Blockinger) and Mr. Blockinger received an additional 2,673 Och-Ziff Operating Group D Units pursuant to the terms of certain partnership agreements entered into with Mr. Blockinger. On June 23, 2011, the original 1,150,000 Och-Ziff Operating Group D Units held by Mr. Blockinger automatically converted into Och-Ziff Operating Group A Units as the general partners of the Och-Ziff Operating Group entities determined there had been sufficient appreciation, as defined in the Operating Group Limited Partnership Agreements, to result in such Och-Ziff Operating Group D Unit becoming economically equivalent to one Och-Ziff Operating Group A Unit. On December 13, 2011, pursuant to the terms of the Operating Group Limited Partnership Agreements, each of our partners as of those dates, including Mr. Blockinger was allocated his pro rata share of unvested Och-Ziff Operating Group A Units, as applicable, forfeited by certain partners of the Och-Ziff Operating Group. As a result of the December reallocation, the Named Executive Officers received their proportional share of the forfeited Och-Ziff Operating Group A Units and Mr. Blockinger received an additional 5,917 Och-Ziff Operating Group A Units pursuant to the terms of certain partnership agreements entered into with Mr. Blockinger.

All of the Och-Ziff Operating Group Units held by Mr. Blockinger vest in five equal annual installments starting on the first anniversary of Mr. Blockinger's admission to the Och-Ziff Operating Group, including any units Mr. Blockinger may have received subsequent to his admission as a partner. Upon vesting, the Och-Ziff Operating Group Units continue to be subject to transfer restrictions, minimum ownership requirements and the conditions to conversion into Och-Ziff Operating Group A Units. For a description of the Och-Ziff Operating Group Units granted to Mr. Blockinger, please refer to the section entitled *Certain Agreements of Och-Ziff and the Och-Ziff Operating Group Entities Limited Partnership Agreements of the Och-Ziff Operating Group Entities*, in particular the subsections entitled *Partnership Interests* and *Vesting; Forfeiture*. The agreements also provide that the Och-Ziff Operating Group entities will pay for the costs of Mr. Blockinger's estate and tax planning to the same extent such costs are paid for our other partners. The Operating Group Limited Partnership Agreements contain



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other terms relevant to Mr. Blockinger's service as a partner of Och-Ziff. See Limited Partnership Agreements of the Och-Ziff Operating Group Entities below.

No other Named Executive Officer is party to a separate partner agreement.

***Non-Competition, Non-Solicitation and Confidentiality Restrictions***

We believe that each of our partners, including all of the Named Executive Officers, should be subject to certain obligations and restrictions with respect to not competing with us, not soliciting our employees or the investors in our funds, not disparaging us, and not disclosing confidential information about our business and related matters. Following are descriptions of the material terms of such obligations and restrictions, which are contained in the Operating Group Limited Partnership Agreements.

*Term of Service or Employment; Full-Time Commitment.* Each partner has agreed to devote substantially all of his business time, skill, energies and attention to his responsibilities at Och-Ziff in a diligent manner.

*Confidentiality.* Each partner is required, whether during or after his or her service with us, to protect and only use confidential information in accordance with strict restrictions placed by us on its use and disclosure. Every employee of ours is subject to similar strict confidentiality obligations imposed by agreements entered into upon commencement of service with us.

*Non-Competition.* During the term of service of each partner and during the Restricted Period (as such term is defined below), no partner may, directly or indirectly:

engage or otherwise participate in any manner or fashion in any business that is a competing business, either in the United States or in any other place in the world where we engage in our business;

render any services to any competing business; or

acquire a financial interest in or become actively involved with any competing business (other than as a passive investor holding minimal percentages of the stock of public companies).

*Non-Solicitation and Non-Interference.* Generally, during the term of service of each partner and during the Restricted Period, no partner may, directly or indirectly, in any manner solicit any of our other partners, directors, officers or employees to terminate their relationship or service with us, or hire any person who was employed by us or was one of our partners or directors as of the date of such partner's termination or whose service or relationship with us terminated within two years prior to or after the date of such partner's termination. Additionally, in general, no partner may solicit, or encourage ceasing to work with us, any consultant, agent or senior adviser who the individual knows or should know is under contract with us.

In addition, generally during the term of service of each partner and during the Restricted Period, such partner may not, directly or indirectly, in any manner solicit or induce any of our current, former or prospective investors, financing sources, capital market intermediaries or consultants to terminate (or diminish in any material respect) his or its relationship with us for the purpose of associating with any competing business, or otherwise encourage such investors, financing sources, capital market intermediaries or consultants to terminate (or diminish in any respect) his or its relationship with us for any other reason.

*Non-Disparagement.* During the term of service of each partner, and at all times following the termination of the partner's service, the partner is prohibited from disparaging us in any way or making any defamatory comments regarding us.

*Restricted Period.* For purposes of the foregoing covenants, the Restricted Period for each of our Named Executive Officers (other than Mr. Blockinger) and most of our other partners, means the two-year period

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immediately following the date of termination of his association with us for any reason. For Mr. Blockinger, a partner who was admitted subsequent to our initial public offering, the Restricted Period means the one-year period immediately following the date of termination of his association with us for any reason.

*Intellectual Property.* Each partner is subject to customary intellectual property covenants with respect to works created, invented, designed or developed by such individual that are relevant to or implicated by the partner's service with us.

*Other Provisions.* In the case of any breach of the non-competition or non-solicitation provisions described above by a partner, all of such partner's vested and unvested Och-Ziff Operating Group Units and any Class A Shares issued upon exchange of Och-Ziff Operating Group A Units, will be reallocated to the other partners. In addition, in the case of any breach of the non-competition or non-solicitation provisions described above by a partner, the partner will be required to pay us an amount equal to the total after-tax proceeds received from the sale of any Class A Shares, and any distributions thereon, issued upon exchange of Och-Ziff Operating Group A Units during the two-year period prior to the date of such breach. In addition, such breaching partner will no longer be entitled to receive payments under the tax receivable agreement we executed with our partners and the Ziffs in connection with our initial public offering (the Tax Receivable Agreement). We may elect to waive enforcement of any or all of the foregoing consequences in our sole discretion.

## **Compensation Committee Report**

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K and, based on such review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Submitted by the members of the Compensation Committee:

J. Barry Griswell, Chair

Allan S. Bufferd

Jerome P. Kenney

**Table of Contents****Summary Compensation Table**

The following table provides summary information concerning the compensation of our Named Executive Officers, who include our Chief Executive Officer, our Chief Financial Officer and each of our three other most highly compensated employees who served as executive officers for the year ended December 31, 2011.

Name and Principal Position	Year	Salary	Stock Awards(1)	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
Daniel S. Och(2) Chief Executive Officer,	2011		\$ 10,485,533		\$ 484,878	\$ 10,970,411
			\$ 26,040,000		\$ 51,826	\$ 26,091,826
Executive Managing Director	2010					
	2009		\$ 9,425,790		\$ 53,668	\$ 9,479,458
Joel M. Frank(3) Chief Financial Officer, Senior Chief Operating Officer, Executive Managing Director	2011		\$ 464,600		\$ 43,700	\$ 508,300
			\$ 1,153,801		\$ 45,054	\$ 1,198,855
David Windreich(4) Head of U.S. Investing, Executive Managing Director	2010		\$ 417,649		\$ 53,029	\$ 470,678
	2009		\$ 2,425,948		\$ 65,520	\$ 2,491,468
Michael L. Cohen(5) Head of European Investing, Executive Managing Director	2010		\$ 6,024,687		\$ 51,826	\$ 6,076,513
	2009		\$ 2,180,784		\$ 53,668	\$ 2,234,452
Jeffrey C. Blockinger(6) Chief Legal Officer, Chief Compliance Officer, Executive Managing Director	2011		\$ 1,451,420		\$ 41,822	\$ 1,493,242
	2010		\$ 3,604,515		\$ 59,425	\$ 3,663,940
	2009		\$ 1,304,740		\$ 118,509	\$ 1,423,249
			\$ 14,575,051	\$ 192,845	\$ 18,470	\$ 14,786,366
	2010			\$ 1,475,025	\$ 26,030	\$ 1,501,055
	2009	\$ 225,000	\$ 10,208,500	\$ 839,500	\$ 16,271	\$ 11,289,271

- (1) The dollar amounts in this column do not reflect cash or other compensation actually received by the Named Executive Officers, but instead represent the aggregate grant-date fair value of equity calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, *Stock Compensation* (ASC Topic 718). More information regarding the 2011 stock awards is shown in the 2011 Grants of Plan-Based Awards table below. Also, see Notes 3 and 8 to the audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2011 for further information concerning the assumptions underlying our ASC Topic 718 calculations for Och-Ziff Operating Group A Units and Class A Restricted Share Units.
- (2) The Stock Awards column reflects the aggregate grant-date fair value of unvested Och-Ziff Operating Group A Units received by Mr. Och in pro rata reallocations, pursuant to the Operating Group Limited Partnership Agreements, of Och-Ziff Operating Group A Units forfeited by certain partners of the Och-Ziff Operating Group in each of the years shown in the table. The All Other Compensation column reflects for 2011: (i) payments of \$88,622 made on behalf of Mr. Och with respect to his share of estate and tax preparation and planning services provided to all of our partners; (ii) \$21,584 for medical insurance; (iii) \$373,797 for security services; and (iv) \$875 for supplemental liability insurance coverage. We consider the expenses for certain of Mr. Och's security services in 2011 to be for our benefit, and the Board of Directors considers the related expenses to be appropriate business expenses rather than personal benefits for Mr. Och. Because we do not separately track personal security expenses based on whether they are incurred for business or for personal reasons, 100% of these certain security costs have been reported for Mr. Och as All Other Compensation.

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- (3) The Stock Awards column reflects the aggregate grant-date fair value of unvested Och-Ziff Operating Group A Units received by Mr. Frank in pro rata reallocations, pursuant to the Operating Group Limited Partnership Agreements, of Och-Ziff Operating Group A Units forfeited by certain partners of the Och-Ziff Operating Group in each of the years shown in the table. The All Other Compensation column reflects for 2011: (i) payments of \$21,241 made on behalf of Mr. Frank with respect to his share of estate and tax preparation and planning services provided to all of our partners; (ii) \$21,584 for medical insurance; and (iii) \$875 for supplemental liability insurance coverage.

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- (4) The **Stock Awards** column reflects the aggregate grant-date fair value of unvested Och-Ziff Operating Group A Units received by Mr. Windreich in pro rata reallocations, pursuant to the Operating Group Limited Partnership Agreements, of Och-Ziff Operating Group A Units forfeited by certain partners of the Och-Ziff Operating Group in each of the years shown in the table. The **All Other Compensation** column reflects for 2011: (i) payments of \$43,061 made on behalf of Mr. Windreich with respect to his share of estate and tax preparation and planning services provided to all of our partners; (ii) \$21,584 for medical insurance; and (iii) \$875 for supplemental liability insurance coverage.
- (5) The **Stock Awards** column reflects the aggregate grant-date fair value of unvested Och-Ziff Operating Group A Units received by Mr. Cohen in pro rata reallocations, pursuant to the Operating Group Limited Partnership Agreements, of Och-Ziff Operating Group A Units forfeited by certain partners of the Och-Ziff Operating Group in each of the years shown in the table. The **All Other Compensation** column reflects for 2011: (i) payments of \$34,363 made on behalf of Mr. Cohen with respect to his share of estate and tax preparation and planning services provided to all of our partners; (ii) \$6,584 for medical insurance; and (iii) \$875 for supplemental liability insurance coverage.
- (6) The **Stock Awards** column reflects the: (i) aggregate grant-date fair value of unvested Och-Ziff Operating Group A Units received by Mr. Blockinger in pro rata reallocations, pursuant to the Operating Group Limited Partnership Agreements, of Och-Ziff Operating Group A Units forfeited by a certain partner of the Och-Ziff Operating Group in 2011; and (ii) aggregate grant-date fair value of Och-Ziff Operating Group A Units that were issued to Mr. Blockinger upon the conversion of an equal number of non-equity Och-Ziff Operating Group D Units pursuant to the Operating Group Limited Partnership Agreements. The **Non-Equity Incentive Plan Compensation** column represents distributions on Och-Ziff Operating Group D Units, which are non-equity profit interests in the Och-Ziff Operating Group entities. These Units receive cash distributions equal in amount to, and at the same time as, distributions paid on Och-Ziff Operating Group A Units, which correspond to dividends paid to holders of our Class A Shares. The distributions reflect the amount of expense recognized for the year ended December 31, 2011 related to such profit-interest payments. The **All Other Compensation** column reflects for 2011: (i) payments of \$11,011 made on behalf of Mr. Blockinger with respect to his share of estate and tax preparation and planning services provided to all of our partners; (ii) \$6,584 for medical insurance; and (iii) \$875 for supplemental liability insurance coverage.

**Table of Contents****2011 Grants of Plan-Based Awards**

This section provides additional information about the equity awards that are described in the **Stock Awards** column of the **Summary Compensation Table** above.

On June 22 and December 13, 2011, pursuant to the terms of the Operating Group Limited Partnership Agreements, each of our partners as of those dates was allocated his pro rata share of unvested Och-Ziff Operating Group A Units forfeited by certain departing partners of the Och-Ziff Operating Group. As a result of these reallocations, the Named Executive Officers received their proportional share of the forfeited Och-Ziff Operating Group A Units. These Units will vest in full on November 19, 2012, except with respect to the Units received by Mr. Blockinger, which Units will vest in equal annual installments on September 30th of each year through 2014. With respect to the June 22, 2011 reallocation of Och-Ziff Operating Group A Units, Mr. Blockinger was allocated his pro rata share of unvested Och-Ziff Operating Group A Units in the form of Och-Ziff Operating Group D Units, which are non-equity profit interests in the Och-Ziff Operating Group entities.

<b>Name</b>	<b>Grant Date</b>	<b>All Other Stock Awards: Number of Shares of Stock or Units</b>	<b>Grant-Date Fair Value of Stock Awards(1)</b>
Daniel S. Och	6/22/2011	353,314	\$ 4,564,817
	12/13/2011	781,974	\$ 5,920,716
Joel M. Frank	6/22/2011	15,655	\$ 202,263
	12/13/2011	34,648	\$ 262,337
David Windreich	6/22/2011	81,743	\$ 1,056,120
	12/13/2011	180,919	\$ 1,369,828
Michael L. Cohen	6/22/2011	48,906	\$ 631,866
	12/13/2011	108,242	\$ 819,554
Jeffrey C. Blockinger(2)	6/23/2011	1,150,000	\$ 14,530,250
	12/13/2011	5,917	\$ 44,801

- (1) These dollar amounts do not represent compensation actually received in 2011. Instead, the amounts reflect the aggregate grant-date fair value of equity received in 2011, computed in accordance with ASC Topic 718.
- (2) On June 23, 2011, the original 1,150,000 Och-Ziff Operating Group D Units held by Mr. Blockinger automatically converted into Och-Ziff Operating Group A Units as the general partners of the Och-Ziff Operating Group entities determined there had been sufficient appreciation, as defined in the Operating Group Limited Partnership Agreements, to result in such Och-Ziff Operating Group D Unit becoming economically equivalent to one Och-Ziff Operating Group A Unit.

**Table of Contents****Outstanding Equity Awards at Fiscal Year End**

The following table summarizes the equity awards made to our Named Executive Officers that were outstanding and subject to vesting conditions as of December 31, 2011. The dollar amounts shown in the table below do not reflect compensation actually received by the Named Executive Officers, but instead are calculated by multiplying the number of unvested equity units held by the Named Executive Officers by the closing price of \$8.41 per Class A Share on December 31, 2011.

Name	Stock Awards	
	Number of Shares, Units or Other Rights That Have Not Vested	Market Value of Shares, Units or Other Rights That Have Not Vested
Daniel S. Och(1)	32,246,283	\$ 271,191,240
Joel M. Frank(1)	1,428,804	\$ 12,016,242
David Windreich(1)	7,460,567	\$ 62,743,368
Michael L. Cohen(1)	4,463,588	\$ 37,538,775
Jeffrey C. Blockinger(2)	869,443	\$ 7,312,016

- (1) Represents unvested Och-Ziff Operating Group A Units received in the (i) Reorganization effected in connection with our initial public offering, and (ii) reallocations of Och-Ziff Operating Group A Units forfeited by former partners as described above. These unvested Och-Ziff Operating Group A Units vest in full on November 19, 2012 and are subject to minimum retained ownership requirements and transfer restrictions.
- (2) Represents (i) 173,526 Class A Restricted Share Units (including dividend equivalent units accrued as of December 31, 2011) granted in connection with Mr. Blockinger's admission as a partner to the Och-Ziff Operating Group which vested in full on January 1, 2012, (ii) 690,000 unvested Och-Ziff Operating Group A Units which shall vest in equal annual installments on September 30, 2012, 2013 and 2014 that were issued to Mr. Blockinger upon the conversion of an equal number of non-equity Och-Ziff Operating Group D Units pursuant to the terms of such Units and are subject to minimum retained ownership requirements and transfer restrictions, and (iii) 5,917 unvested Och-Ziff Operating Group A Units received as part of a reallocation of Och-Ziff Operating Group A Units which vest in equal annual installments on September 30, 2012, 2013 and 2014 and are subject to minimum retained ownership requirements and transfer restrictions. Additionally, Mr. Blockinger holds as of December 31, 2011 16,860 non-equity Och-Ziff Operating Group D Units, of which 10,518 Units shall vest in equal annual installments on September 30, 2012, 2013 and 2014.

**Stock Vested**

The following table shows values deemed realized during 2011 by the Named Executive Officers as a result of the vesting of equity during 2011. The amounts shown below do not reflect compensation actually received by the Named Executive Officers, but instead are calculations of the number of equity units that vested during 2011 based on the closing price of our Class A Shares on the date of vesting.

Name	Stock Awards	
	Number of Shares Acquired on Vesting	Value Realized on Vesting
Daniel S. Och(1)	31,110,987	\$ 246,087,907
Joel M. Frank(1)	1,378,497	\$ 10,903,911
David Windreich(1)	7,197,907	\$ 56,935,444
Michael L. Cohen(1)	4,306,447	\$ 34,063,996
Jeffrey C. Blockinger(2)	716,422	\$ 8,500,615

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- (1) On November 19, 2011, one-fifth of the Och-Ziff Operating Group A Units granted to our partners at the time of our initial public offering and a portion of the reallocated Och-Ziff Operating Group A Units forfeited



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by former partners (which Units continued to vest according to the original vesting schedule) vested. Vested Och-Ziff Operating Group A Units remain subject to minimum retained ownership requirements and transfer restrictions.

- (2) Represents (i) 160,586 Class A Restricted Share Units (including dividend equivalent units accrued as of the date of vesting) granted to Mr. Blockinger on September 30, 2009 in connection with his admission as a partner to the Och-Ziff Operating Group that vested on January 1, 2011, (ii) 37,524 Class A Restricted Share Units (including dividend equivalent units accrued as of the date of vesting) granted to Mr. Blockinger on December 31, 2008 in connection with his compensation arrangement as a managing director for the year ended December 31, 2008 that vested on December 19, 2011, (iii) 58,312 Class A Restricted Share Units (including dividend equivalent units accrued as of the date of vesting) granted to Mr. Blockinger in connection with our initial public offering that vested on November 19, 2011, (iv) 230,000 of the Och-Ziff Operating Group A Units that were issued to Mr. Blockinger upon the conversion of an equal number of non-equity Och-Ziff Operating Group D Units pursuant to the terms of such Units that had vested prior to the conversion, and (v) 230,000 Och-Ziff Operating Group A Units granted to Mr. Blockinger in connection with his admission as a partner to the Och-Ziff Operating Group that vested on September 30, 2011.

**Severance Benefits; Potential Payments Upon Termination or Change in Control**

None of our Named Executive Officers is eligible to receive any cash payments upon his termination or a change of control of the Company. For a description of the vesting and forfeiture conditions applicable to the Och-Ziff Operating Group A Units held by the Named Executive Officers and the Och-Ziff Operating Group D Units held by Mr. Blockinger, please refer to Certain Agreements of Och-Ziff and the Och-Ziff Operating Group Entities Limited Partnership Agreements of the Och-Ziff Operating Group Entities-Partnership Interests and Vesting; Forfeiture.

If, on December 31, 2011, the Company had terminated Mr. Blockinger's service without cause (as defined in the applicable Class A Restricted Share Unit grant agreements) or if he died or became disabled (as defined in the applicable grant agreements), any unvested Class A Restricted Share Units granted to Mr. Blockinger would continue to vest and these units would become nonforfeitable on the date they would otherwise have vested, provided that Mr. Blockinger continued to comply with all post-termination obligations to which he is subject. If Mr. Blockinger ceases to comply with any post-termination obligations, he would immediately forfeit these Class A Restricted Share Units. On December 31, 2011, these Class A Restricted Share Units had a market value of \$1,459,354.

In the event a change in control (as defined below) occurred on December 31, 2011 and Mr. Blockinger's service was terminated by the Company without cause on the same date, all of Mr. Blockinger's outstanding Class A Restricted Share Units, which units had an aggregate market value of \$1,459,354 on December 31, 2011, would have become fully vested.

Generally, pursuant to the Plan, a change in control would include any of the following events:

Any person or group of persons acting together which would constitute a group for purposes of Section 13(d) of the Exchange Act, excluding any permitted transferee or group of permitted transferees, becomes the beneficial owner of more than 50% of the combined voting power of the Company's outstanding securities;

A majority of the individuals who were serving as the Company's directors on the date of the consummation of the Company's initial public offering is replaced;

A merger or consolidation of the Company or any subsidiary of the Company with any other corporation or entity that results in (i) the Company's directors immediately before the merger or consolidation comprising less than a majority of the board of directors of the surviving entity or, if the surviving entity is a subsidiary, the ultimate parent thereof, or (ii) the beneficial owners of the voting securities of the Company immediately prior to such merger or consolidation ceasing to own more than 50% of the combined voting power of the outstanding voting securities of the surviving entity; or

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The Shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or a sale of all or substantially all of the Company's assets is consummated (other than a sale or other disposition to an entity, at least 50% of the combined voting power of which is beneficially owned by the shareholders of the Company in substantially the same proportions as their beneficial ownership of such securities of the Company immediately prior to such sale).

**Director Compensation**

The Compensation Committee periodically reviews the compensation of the independent directors. Director compensation is set by the Board based upon the recommendation of the Compensation Committee. Currently, upon initial election to the Board, an independent director receives a grant of Class A Restricted Share Units with a value of \$300,000, which grant vests in equal annual installments on each of the first, second and third anniversaries of the director's date of election to the Board, subject to the director's continued service on our Board. Incumbent independent directors receive annual equity-based and cash compensation. At the beginning of each year, each incumbent independent director receives a grant of Class A Restricted Share Units with a value of \$100,000, which grant vests in equal annual installments on each of the first, second and third anniversaries of the date of grant. Beginning in 2012, for the annual grant of Class A Restricted Share Units, with respect to each vested Class A Restricted Share Unit, the independent director shall receive one Class A Share on or before the third business day following the independent director's departure from our Board of Directors. An annual cash retainer is paid to each incumbent independent director in the amount of \$50,000, and the chairs of the committees of our Board receive additional annual cash retainers as follows: the Audit Committee chair receives \$20,000 and the chairs of the Nominating, Corporate Governance and Conflicts Committee and the Compensation Committee each receive \$10,000. Our Lead Independent Director also receives an additional annual cash retainer of \$20,000. We have established minimum Class A Share ownership requirements for the independent directors on our Board such that each independent director must hold 50% of the Class A Shares received after vesting of any grant of Class A Restricted Share Units (or other equity awards) at all times, without regard to any dispositions.

Directors who are members of management do not receive any compensation with respect to their services as a director. All directors are reimbursed for reasonable costs and expenses incurred in attending meetings of the Board.

The following table sets forth the total cash and equity-based compensation paid to our independent directors for their service on the Board and its committees during 2011.

Name	Fees Earned or Paid		Stock Awards(1)	Total
	in Cash			
Allan S. Bufferd	\$	80,000	\$ 124,429	\$ 204,429
J. Barry Griswell(2)	\$	30,000	\$ 278,282	\$ 308,282
William C. Cobb(3)	\$	30,000	\$ 131,861	\$ 161,861
Jerome P. Kenney	\$	60,000	\$ 124,429	\$ 184,429
Jeffrey R. Leeds(4)	\$	35,000	\$ 124,429	\$ 159,429
Georganne C. Proctor(5)	\$	25,000	\$ 278,282	\$ 303,282

- (1) The dollar amounts in this table do not reflect cash or other compensation actually received by the independent directors, but instead represent the aggregate grant-date fair value of equity calculated in accordance with ASC Topic 718. See Note 8 to the audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2011 for further information concerning the assumptions underlying our ASC Topic 718 calculations for Class A Restricted Share Units. Each director who was a director as of January 3, 2011 received a grant of 6,849 Class A Restricted Share Units on January 3, 2011 and, during the year, dividend equivalent units on outstanding, unvested Class A Restricted Share Units, which dividend equivalent units are included in the amounts shown in the table and will vest as the underlying Class A Restricted Share Units vest. As of December 31, 2011, the aggregate number of Class A Restricted Share Units, including dividend equivalent units granted thereon, held by each continuing independent director was as follows: 17,651 for Mr. Bufferd, 20,633 for Mr. Griswell, 17,651 for Mr. Kenney and 20,633 for Ms. Proctor.

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- (2) Mr. Griswell was appointed a member of the Board effective as of June 22, 2011. In connection with such appointment, Mr. Griswell received a grant of 20,121 Class A Restricted Share Units on June 22, 2011. The Class A Restricted Share Units will vest in equal installments on each of the first, second and third anniversaries of July 1, 2011, subject to his continued service as member of the Board through each such applicable vesting date.
- (3) Mr. Cobb resigned from the Board effective June 23, 2011.
- (4) Mr. Leeds resigned from the Board effective June 23, 2011.
- (5) Ms. Proctor was appointed a member of the Board effective as of June 22, 2011. In connection with such appointment, Ms. Proctor received a grant of 20,121 Class A Restricted Share Units on June 22, 2011. The Class A Restricted Share Units will vest in equal installments on each of the first, second and third anniversaries of July 1, 2011, subject to her continued service as member of the Board through each such applicable vesting date.

**Equity Compensation Plan**

The following table summarizes the securities authorized for issuance under the Plan as of December 31, 2011:

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(1) (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans(2) (excluding securities reflected under column (a)) (c)
Equity compensation plans approved by Shareholders: Och-Ziff Capital Management Group LLC Amended and Restated 2007 Equity Incentive Plan	12,170,635		30,620,186
Equity compensation plans not approved by Shareholders			
<b>Total</b>	<b>12,170,635</b>		<b>30,620,186</b>

- (1) Represents Class A Restricted Share Units and Och-Ziff Operating Group D Units. Because the Class A Restricted Share Units and Och-Ziff Operating Group D Units each have no exercise price, the weighted-average exercise price calculation is zero.
- (2) On January 1, 2012, pursuant to the terms of our Plan, the number of Class A Shares that may be issued pursuant to awards under the Plan was increased by the positive difference, if any, of (i) 15% of the number of outstanding Class A Shares (assuming the exchange of all outstanding Och-Ziff Operating Group A Units for Class A Shares) on December 31, 2011 over (ii) the number of Class A Shares then reserved for issuance under the Plan as of such date. The number of Class A Shares reserved under the Plan is also subject to adjustment in the event of a share split, share dividend, or other change in our capitalization. Generally, awards that are forfeited or canceled under the Plan will be available for future grants under the Plan.

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**CERTAIN MATTERS AND RELATED PERSON TRANSACTIONS**

A number of organizational documents and agreements set forth our internal capital, organizational and governance structures, including the terms of interests in the Och-Ziff Operating Group owned by our partners, payments due to our partners pursuant to those interests and other contractual rights. These documents and agreements include the Operating Agreement, the Operating Group Limited Partnership Agreements, the Class B Shareholders Agreement, the Exchange Agreement, the Tax Receivable Agreement, and registration rights agreements with our partners, the Ziffs and DIC. The summaries of the agreements that follow are qualified in their entirety by reference to the actual text of the agreements. Pursuant to these agreements, we may make payments to related persons or engage in transactions that are deemed Interested Transactions under our Related Person Transaction Policy (the Policy). During 2011, there were no Interested Transactions under the Policy except for those described below under Related Person Transactions.

**Policy on Transactions and Arrangements with Related Persons**

The Board has adopted a written Related Person Transaction Policy that is administered by our Nominating, Corporate Governance and Conflicts Committee and applies to any transaction or series of transactions in which we or any of our subsidiaries is a participant, the amount involved exceeds \$120,000, and a related person (as defined under SEC rules) has or will have a direct or indirect interest (any such transaction or series of transactions an Interested Transaction).

Under the Policy, all Interested Transactions with a related person are subject to pre-approval or ratification by the Nominating, Corporate Governance and Conflicts Committee. The Policy requires a related person to promptly disclose to the Chief Legal Officer any Interested Transaction as well as all material facts about the transaction. The Chief Legal Officer will then assess and notify the Nominating, Corporate Governance and Conflicts Committee of the material facts of any Interested Transaction that requires the Committee's pre-approval. In addition, the Board has delegated authority to the Chair of the Nominating, Corporate Governance and Conflicts Committee to pre-approve or ratify transactions where the aggregate amount involved is expected to be less than \$1 million. Moreover, the Nominating, Corporate Governance and Conflicts Committee has considered and adopted standing pre-approvals under the Policy for limited transactions with related persons that are or may be considered to be Interested Transactions. Such pre-approved transactions include, among other items: (i) compensation paid to any executive officer or director that is required to be reported in our proxy statement consistent with SEC rules; (ii) compensation paid to any executive officer that would be required to be reported in our proxy statement if the officer was a named executive officer that is approved by the Compensation Committee; (iii) business transactions with other companies at which a related person's only relationship is as an employee (other than an executive officer), director or less-than-10% beneficial owner if the amount of business does not exceed the greater of \$1,000,000 or 2% of that company's total annual revenues; (iv) charitable contributions to organizations where a related person's only relationship is as an employee (other than an executive officer) or director if the aggregate amount involved does not exceed \$250,000; (v) transactions in which all Shareholders receive the same benefit on a pro rata basis; (vi) any transaction in which the rates or charges involved are determined by competitive bids; (vii) any transaction required or permitted under our organizational documents and agreements entered into in connection with our initial public offering in November 2007, including, among other agreements, the Operating Group Limited Partnership Agreements and the Tax Receivable Agreement; and (viii) investments by one of our directors, officers or partners or any immediate family member in any of our funds.

A summary of any new transactions pre-approved by the Chair of the Nominating, Corporate Governance and Conflicts Committee or pursuant to the Policy is provided to the full Nominating, Corporate Governance and Conflicts Committee for its review in connection with each regularly scheduled Committee meeting. If we become aware of an existing Interested Transaction that has not been pre-approved under this Policy, we will provide relevant information to the Nominating, Corporate Governance and Conflicts Committee, which will evaluate all options available, including ratification, revision or termination of such transaction. Our Policy requires any director who may be interested in a related person transaction to recuse himself or herself from any consideration of such related person transaction.

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In 2011, the Board pre-approved or considered and approved or ratified all of the following related person transactions:

*Payments Under the Tax Receivable Agreement.* During 2011, we made payments under the Tax Receivable Agreement to our partners, including our executive officers, and the Ziffs. The total amounts of these payments received by our executive officers were as follows: \$7,270,243 to Mr. Och and certain of his related trusts, \$322,138 to Mr. Frank and certain of his related trusts, \$1,682,059 to Mr. Windreich, \$1,006,361 to Mr. Cohen and his related trusts, \$606,874 to Mr. Zoltan Varga, and \$462,917 to Mr. Harold Kelly and certain of his related trusts. For additional information about our Tax Receivable Agreement, see Certain Agreements of Och-Ziff and the Och-Ziff Operating Group Entities Tax Receivable Agreement.

*Payments for Non-Business Use of Aircraft.* Our corporate aircraft is used primarily for business purposes. From time to time, Mr. Och has used the aircraft for personal use. Mr. Och is charged market rates for such use. For the year ended December 31, 2011, Mr. Och paid \$839,498 for his non-business use of the corporate aircraft.

**CERTAIN AGREEMENTS OF OCH-ZIFF AND THE OCH-ZIFF OPERATING GROUP ENTITIES****Class B Shareholders Agreement**

We have entered into the Class B Shareholders Agreement with our partners, in their capacity as the holders of our Class B Shares, which provided for the establishment of a Class B Shareholder Committee. So long as our partners continue to own more than 40% of the total combined voting power of the Company, whether through ownership of our Class A Shares, Class B Shares or any other voting securities that we may issue in the future, the Class B Shareholder Committee has approval rights with respect to certain actions of the Board. Furthermore, so long as any Class B Shares remain outstanding, the Class B Shareholder Committee has the power and authority to exercise the rights granted to them under our Operating Agreement. The Class B Shareholder Committee currently has the right to designate five of the seven nominees for election to the Board, with such number of nominees decreasing as our partners' ownership interest in our business decreases, as discussed below. In addition, under the Class B Shareholders Agreement, each partner holding Class B Shares has granted to the Class B Shareholder Committee an irrevocable proxy to vote all of such partner's Class B Shares as determined by such Committee in its sole discretion.

***Class B Shareholder Committee; Proxy and Approval Rights***

*Class B Shareholder Committee.* The Class B Shareholder Committee currently consists solely of Daniel S. Och until his withdrawal, death or disability. Upon Mr. Och's withdrawal, death or disability, the Partner Management Committee shall act by majority vote to reconstitute the Class B Shareholder Committee either by: (i) appointing another partner to serve as the sole member of the Committee; or (ii) appointing all of the members of the Partner Management Committee as the members of the Class B Shareholder Committee, in which event, the members will act by majority vote. Upon a reconstitution as provided by clause (i) above, the Partner Management Committee shall have the same rights of reconstitution in the event of the sole member's withdrawal, death, disability or removal by a majority vote of the Partner Management Committee. Upon a reconstitution as provided by clause (ii) above, the Class B Shareholder Committee shall thereafter be comprised of the members who from time to time constitute the Partner Management Committee.

*Proxy.* Pursuant to the Class B Shareholders Agreement, each of our partners holding Class B Shares has granted to Mr. Och, as the current sole member of the Class B Shareholder Committee, an irrevocable proxy to vote all of the Class B Shares held by such partner in such manner as Mr. Och shall determine, in his sole and absolute discretion, on any matter submitted to a vote of the holders of the Class B Shares. This proxy will survive until the later of: (i) Mr. Och's withdrawal, death or disability; or (ii) such time as our partners no longer hold at least 40% of the total combined voting power of the Company. Accordingly, while Mr. Och remains the sole member of the

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Class B Shareholder Committee, he will have control over significant matters submitted to a vote of our Shareholders so long as our partners and their permitted transferees collectively own securities representing more than 40% of the total combined voting power of the Company due to the approval rights discussed below.

*Approval Rights.* The Class B Shareholders Agreement provides that, so long as our partners and their permitted transferees collectively own securities representing more than 40% of the total combined voting power of all of our outstanding Shares, the Board shall not authorize, approve or ratify any action described below without the prior written approval of the Class B Shareholder Committee:

any incurrence of indebtedness, other than intercompany indebtedness, in one transaction or a series of related transactions, by us or any of our subsidiaries or controlled affiliates in an amount in excess of approximately 10% of the then existing long-term indebtedness of us and our subsidiaries;

any issuance by us or any of our subsidiaries or controlled affiliates, in any transaction or series of related transactions, of equity or equity-related shares which would represent, after such issuance, or upon conversion, exchange or exercise, as the case may be, at least 10% of the total combined voting power of all our outstanding Shares other than: (i) pursuant to transactions solely among us and our wholly owned subsidiaries; (ii) upon issuances of securities pursuant to the Plan; (iii) upon the exchange of Och-Ziff Operating Group A Units for Class A Shares pursuant to the Exchange Agreement; or (iv) upon conversion of convertible securities or upon exercise of warrants or options, which convertible securities, warrants or options are either outstanding on the date of, or issued in compliance with, the Class B Shareholders Agreement;

any equity or debt commitment or investment or series of related equity or debt commitments or investments by us or any of our subsidiaries or controlled affiliates in an unaffiliated entity or related group of entities in an amount greater than \$250 million;

any entry by us, any subsidiary or controlled affiliate into a new line of business that does not involve investment management and that requires a principal investment in excess of \$100 million;

the adoption of a shareholder rights plan;

any appointment or removal of a chief executive officer or co-chief executive officer of the Company; or

the termination without cause of the employment of an executive officer of the Company or the active involvement of a partner with us or any of our subsidiaries or controlled affiliates.

In addition, our Operating Agreement requires that we obtain the consent of the Class B Shareholder Committee for specified actions relating to our legal structure so long as any Class B Shares remain outstanding. Generally, our structure is intended to ensure that we maintain exchangeability of Class A Shares and Och-Ziff Operating Group A Units on a one-for-one basis.

## ***Board Representation***

The Class B Shareholders Agreement requires that we take all reasonably necessary action to effect the following, so long as our partners and their permitted transferees beneficially own:

Shares representing more than 50% of the total combined voting power of all our outstanding Shares, then the Board shall nominate five individuals designated by the Class B Shareholder Committee;

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Shares representing 40% or more and less than or equal to 50% of the total combined voting power of all our outstanding Shares, then the Board shall nominate three individuals designated by the Class B Shareholder Committee;

Shares representing 25% or more and less than 40% of the total combined voting power of our outstanding Shares, then the Board shall nominate two individuals designated by the Class B Shareholder Committee; and

Shares representing 10% or more and less than 25% of the total combined voting power of our outstanding Shares, then the Board shall nominate one individual designated by the Class B Shareholder Committee.

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When our partners beneficially own less than 10% of the total combined voting power of our outstanding Shares, then the Board shall have no obligation to nominate any individual designated by the Class B Shareholder Committee.

In the event that any designee of the Class B Shareholder Committee shall for any reason cease to serve as a member of the Board during his term of office, the resulting vacancy on the Board shall be filled by an individual designated by the Class B Shareholder Committee. In addition, the Operating Agreement provides that the size of the Board may not be expanded beyond seven members without the approval of the Class B Shareholder Committee.

### **Exchange Agreement**

All of our partners and the Ziffs are parties to the Exchange Agreement, under which each partner and the Ziffs are entitled to exchange any Och-Ziff Operating Group A Units they hold for our Class A Shares on a one-for-one basis, subject to exchange rate adjustments for splits, unit distributions and reclassifications and subject to vesting, minimum retained ownership requirements and transfer restrictions. Such exchanges generally may be made as and when approved by the Chairman of the Exchange Committee for the five-year period following our IPO and quarterly thereafter. The Exchange Committee consists of the members of the Partner Management Committee, with Mr. Och currently acting as Chairman. As Chairman, Mr. Och has the sole and exclusive right to take any action on behalf of the Exchange Committee. In the absence of a Chairman, the full Exchange Committee may act by majority vote.

Under the Exchange Agreement, each Och-Ziff Operating Group A Unit surrendered for exchange must simultaneously be exchanged for one Class A Share (or a cash equivalent, if so determined in the sole discretion of the Board). Upon any exchange of Och-Ziff Operating Group A Units, the exchanging person's corresponding Class B Shares will be automatically canceled and our interest in the Och-Ziff Operating Group, through our ownership of Och-Ziff Operating Group B Units (which are not exchangeable for any securities), will correspondingly increase. See Limited Partnership Agreements of the Och-Ziff Operating Group Entities Issuance of Equity Securities by Och-Ziff below. If and when an Och-Ziff Operating Group A Unit is exchanged for a Class A Share and any corresponding Class B Share is canceled, then-existing Class A Shareholders will be diluted with respect to their ownership of the Class A Shares; however, the relative equity ownership positions of the exchanging person and the existing holders of Class A Shares will not be altered. In addition, other than with respect to an exchange by the Ziffs, who do not hold any Class B Shares, in any exchange of Och-Ziff Operating Group A Units for Class A Shares, there will be no effect on the number of voting Shares outstanding because, as noted above, a Class B Share is canceled for each Class A Share issued upon an exchange of an Och-Ziff Operating Group A Unit.

Following the first anniversary of our initial public offering, the Ziffs generally are entitled under the Exchange Agreement to exchange in any given fiscal quarter their vested Och-Ziff Operating Group A Units for Class A Shares in an amount equal to up to the lesser of: (i) 3.3% of the total issued and outstanding Class A Shares at the time of such exchange; or (ii) 5% of the Class A Shares that would have been held by them had they converted all of their Och-Ziff Operating Group A Units into Class A Shares immediately prior to the completion of our initial public offering. The Ziffs are also entitled to participate in any exchange initiated by us, subject to certain limitations. As of December 31, 2011, the Ziffs have exchanged 8,097,987 Och-Ziff Operating Group A Units for 8,097,987 Class A Shares pursuant to and in accordance with the Exchange Agreement.

Upon the exchange of an Och-Ziff Operating Group A Unit for a Class A Share, the exchanging partner will receive a right to any payments owed to it under the Tax Receivable Agreement as a result of such exchange. See Tax Receivable Agreement below.

### **Registration Rights Agreements**

We entered into a registration rights agreement with our partners and the Ziffs (collectively, the Covered Persons) pursuant to which we granted them certain demand and piggyback registration rights with respect to the



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Class A Shares held by them at any time (the Registration Rights Agreement). In addition to certain demand rights and piggyback registration rights, we are required to file a shelf registration statement on or prior to the fifth anniversary of our initial public offering covering the resale of all Class A Shares held by the Covered Persons that are issuable upon exchange of their Och-Ziff Operating Group A Units. We may also, in our sole discretion, elect to register the issuance of Class A Shares upon exchange of Och-Ziff Operating Group A Units for Class A Shares by the Covered Persons. The Registration Rights Agreement provides for a Demand Committee, which consists of the members of the Partner Management Committee. The members of the Demand Committee are Messrs. Och, Windreich, Frank, Cohen, Varga and Kelly and Mr. James-Keith Brown, the Company's Head of Global Investor Relations. Mr. Och, in his capacity as Chairman of the Partner Management Committee, currently is the Chairman of the Demand Committee. The Chairman of the Demand Committee (or, in the event there is no Chairman, the full Committee acting by majority vote) has the right to request prior to the fifth anniversary of our initial public offering that we register the sale of Class A Shares held by the Covered Persons an unlimited number of times and may require us to make available shelf registration statements permitting resales of Class A Shares into the market from time to time over an extended period. In addition, the Chairman of the Demand Committee (or, in the event there is no Chairman, the full Committee acting by majority vote) will have the ability to exercise certain piggyback registration rights in respect of Class A Shares held by the Covered Persons in connection with registered offerings requested by other registration rights holders or initiated by us.

We agreed to indemnify each Covered Person against any losses or damages resulting from any untrue statement or omission of material fact in any registration statement or prospectus pursuant to which they sell Class A Shares, unless such liability arose from such Covered Person's misstatement or omission, and each Covered Person, to the extent it has Class A Shares included in any registration statement or prospectus, has agreed to indemnify us against all losses caused by its misstatements or omissions. We will pay all expenses incident to our performance under the Registration Rights Agreement, and the Covered Persons will pay their respective portions of all underwriting discounts and commissions relating to the sale of their Shares under the Registration Rights Agreement.

We also entered into a registration rights agreement with DIC pursuant to which DIC has certain piggyback registration rights (DIC Registration Rights Agreement). The DIC's registration rights generally are triggered at any time we file a registration statement pursuant to the Registration Rights Agreement that we entered into with our partners and the Ziffs. We agreed to indemnify DIC and certain of its affiliates against any losses or damages resulting from any untrue statement or omission of material fact in any registration statement or prospectus pursuant to which they sell Class A Shares, unless such liability arose from their own misstatement or omission, and DIC, to the extent it has Class A Shares included in any registration statement or prospectus, has agreed to indemnify us against all losses caused by its misstatements or omissions. We will pay all expenses incident to our performance under the DIC Registration Rights Agreement.

**Tax Receivable Agreement**

We have made, and may in the future be required to make, payments under the Tax Receivable Agreement that we entered into with our partners and the Ziffs. The purchase by the Och-Ziff Operating Group of Och-Ziff Operating Group A Units from our partners and the Ziffs with proceeds from the 2007 Offerings, and subsequent taxable exchanges by our partners and the Ziffs of Och-Ziff Operating Group A Units for our Class A Shares on a one-for-one basis (or, at our option, a cash equivalent), resulted, and, in the case of future exchanges, are anticipated to result, in an increase in the tax basis of the assets of the Och-Ziff Operating Group that would not otherwise have been available. We anticipate that any such tax basis adjustment resulting from an exchange will be allocated principally to certain intangible assets of the Och-Ziff Operating Group, and we will derive our tax benefits principally through amortization of these intangibles over a 15-year period. Consequently, these tax basis adjustments will increase, for tax purposes, our depreciation and amortization expenses and will therefore reduce the amount of tax that Och-Ziff Corp and any other future intermediate corporate taxpaying entities that acquire Och-Ziff Operating Group B Units in connection with an exchange, if any, would otherwise be required to pay in the future. Accordingly, pursuant to the Tax Receivable Agreement, such corporate taxpaying entities (including Och-Ziff Capital Management Group LLC if it is treated as a corporate taxpayer) have agreed to pay our partners and the Ziffs 85% of

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the amount of cash savings, if any, in federal, state and local income taxes in the United States that these entities actually realize related to their units as a result of such increases in tax basis. In connection with the departure of certain former partners, the right to receive payments under the Tax Receivable Agreement by such partners was contributed to the Och-Ziff Operating Group. As a result, we expect to pay to our remaining partners and the Ziffs approximately 77% (from 85% at the time of the 2007 Offerings) of the overall cash savings, if any, in federal, state and local income taxes in the United States that we actually realize as a result of such increases in tax basis. To the extent that we do not realize any cash savings in federal, state and local income taxes in the United States, we would not be required to make corresponding payments under the Tax Receivable Agreement.

Payments under the Tax Receivable Agreement are anticipated to increase the tax basis adjustment of intangible assets resulting from a prior exchange, with such increase being amortized over the remainder of the amortization period applicable to the original basis adjustment of such intangible assets resulting from such prior exchange. It is anticipated that this will result in increasing annual amortization deductions in the taxable years of and after such increases to the original basis adjustments, and potentially will give rise to increasing tax savings with respect to such years and correspondingly increasing payments under the Tax Receivable Agreement.

As of December 31, 2011, assuming no material changes in the relevant tax law and that we generate sufficient taxable income to realize the full tax benefit of the increased amortization resulting from the increase in tax basis of our assets, we expected to pay our partners and the Ziffs approximately \$759.1 million over the next 15 years as a result of the cash savings to our intermediate holding companies from the purchase of Och-Ziff Operating Group A Units from our partners and the Ziffs with proceeds from the 2007 Offerings and the exchange of Och-Ziff Operating Group A Units for Class A Shares. Future cash savings and related payments to our partners under the Tax Receivable Agreement in respect of subsequent exchanges would be in addition to these amounts. The obligation to make payments under the Tax Receivable Agreement is an obligation of the intermediate corporate taxpaying entities and not of the Och-Ziff Operating Group entities. We may need to incur debt to finance payments under the Tax Receivable Agreement to the extent the entities within the Och-Ziff Operating Group do not distribute cash to our intermediate corporate tax paying entities in an amount sufficient to meet our obligations under the Tax Receivable Agreement. The actual increase in tax basis of the Och-Ziff Operating Group assets resulting from an exchange or from payments under the Tax Receivable Agreement, as well as the amortization thereof and the timing and amount of payments under the Tax Receivable Agreement, will vary based upon a number of factors, including those described below:

The amount and timing of the income of Och-Ziff Corp will impact the payments to be made under the Tax Receivable Agreement. To the extent that Och-Ziff Corp does not have sufficient taxable income to utilize the amortization deductions available as a result of the increased tax basis in the Och-Ziff Operating Group assets, payments required under the Tax Receivable Agreement would be reduced.

The price of our Class A Shares at the time of any exchange will determine the actual increase in tax basis of the Och-Ziff Operating Group assets resulting from such exchange; payments under the Tax Receivable Agreement resulting from future exchanges, if any, will be dependent in part upon such actual increase in tax basis.

The composition of the Och-Ziff Operating Group's assets at the time of any exchange will determine the extent to which Och-Ziff Corp may benefit from amortizing its increased tax basis in such assets and thus will impact the amount of future payments under the Tax Receivable Agreement resulting from any future exchanges.

The extent to which future exchanges are taxable will impact the extent to which Och-Ziff Corp will receive an increase in tax basis of the Och-Ziff Operating Group assets as a result of such exchanges, and thus will impact the benefit derived by Och-Ziff Corp and the resulting payments, if any, to be made under the Tax Receivable Agreement.

The tax rates in effect at the time any potential tax savings are realized, which would affect the amount of any future payments under the Tax Receivable Agreement.

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Depending upon the outcome of these factors, payments that we may be obligated to make to our partners and the Ziffs under the Tax Receivable Agreement in respect of exchanges could be substantial. In light of the numerous factors affecting our obligation to make payments under the Tax Receivable Agreement, the timing and amounts of any such actual payments are not reasonably ascertainable.

### **Limited Partnership Agreements of the Och-Ziff Operating Group Entities**

Each of the intermediate holding companies is a party to limited partnership agreements with our partners and the Ziffs, which set forth significant provisions relating to our partners and our business. Limited partnership agreements for each of OZ Management and OZ Advisors I were entered into by Och-Ziff Corp as the general partner, with Och-Ziff Corp and our partners and the Ziffs as limited partners, and a limited partnership agreement for OZ Advisors II was entered into by Och-Ziff Holding as the general partner, with Och-Ziff Holding and our partners and the Ziffs as limited partners. Each of the Operating Group Limited Partnership Agreements is substantially similar in form, and we have described below the material provisions of one such agreement, which are generally applicable to all such agreements. From time to time, the Operating Group Limited Partnership Agreements may be amended for various reasons, including but not limited to the admission of new partners.

### ***Management***

The business and affairs of each Och-Ziff Operating Group entity is managed exclusively by its general partner, except with respect to delegation of certain powers by the general partner to the Partner Management Committee and Partner Performance Committee as described below. Except as expressly provided in the Operating Group Limited Partnership Agreements, the limited partners, in their capacity as limited partners, have no part in the management of the entity and have no authority or right to act on behalf of or bind the entity in connection with any matter. All determinations, decisions and actions made or taken by the general partner, or any committee designated by the general partner, in accordance with the Operating Group Limited Partnership Agreements are conclusive and binding upon the Och-Ziff Operating Group entity and its partners.

### ***Partner Management Committee***

The Operating Group Limited Partnership Agreements provide for the establishment of a Partner Management Committee. The current members of the Partner Management Committee are Daniel S. Och, Joel M. Frank, David Windreich, Michael L. Cohen, Zoltan Varga, Harold A. Kelly and James-Keith Brown, with Mr. Och serving as Chairman. The Partner Management Committee acts by majority approval. Each member of the Partner Management Committee shall serve until such member's withdrawal, death, disability or, other than with respect to Mr. Och, removal by the other members of Partner Management Committee. Withdrawal means a partner's required withdrawal from the Och-Ziff Operating Group entities, other than with respect to Mr. Och, whether for Cause or upon a determination by majority vote of the Partner Management Committee or otherwise, or, in the case of each of our partners, such partner's voluntary termination of active involvement with us for any reason. Upon Mr. Och's withdrawal, death or disability, the remaining members of the Partner Management Committee shall act by majority vote to either: (i) replace Mr. Och with a partner to serve as Chairman; or (ii) reduce the size of the Committee to the remaining members, in which event, there shall be no Chairman, and the remaining members will act by majority vote. Upon the withdrawal, death, disability or removal of any of the members of the Partner Management Committee other than the Chairman, the remaining members of the Partner Management Committee shall act by majority vote to fill such vacancy. Upon a reconstitution as provided in clause (i) above, the Partner Management Committee shall have the same rights of reconstitution in the event of the new member's withdrawal, death, disability or removal.

Under the Operating Group Limited Partnership Agreements, the general partner of each Och-Ziff Operating Group entity will delegate to the Chairman of the Partner Management Committee (or, with respect to distributions to such Chairman or in the event there is no Chairman, the full Partner Management Committee acting by majority vote) the sole authority to make determinations with respect to distributions on the Class C Non-Equity Interests so

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long as our partners continue to hold at least 40% of the total combined voting power of our outstanding Shares, but subject to the authority of our Compensation Committee. We do not currently intend to make such distributions but have issued the Class C Non-Equity Interests to preserve the flexibility to do so in the future in a manner consistent with our overall structure and compensation philosophy. The amount, allocation and timing of such distributions, if any, shall be at the sole and absolute discretion of the Chairman of the Partner Management Committee (or, in the event there is no Chairman, the full Partner Management Committee acting by majority consent; provided that any such distributions to any partner who is also our Chief Executive Officer or any of our other executive officers must be determined by our Compensation Committee after consultation with our Partner Management Committee. Any such distributions need not be made to all holders of Class C Non-Equity Interests and even if made to all such holders, need not be made on a pro rata basis to such holders. No holder of Class C Non-Equity Interests will have any right to receive distributions on such interests. See *Executive and Director Compensation Compensation Discussion and Analysis* for a description of our compensation philosophy. In addition, the Partner Management Committee shall have the authority to reconstitute the Class B Shareholder Committee and will delegate to the Chairman of the Partner Management Committee or, with respect to the Chairman (or if there is no Chairman, the full Committee acting by majority consent), authority to approve transfers of Och-Ziff Operating Group Units in accordance with the Operating Group Limited Partnership Agreements.

***Partner Performance Committee***

The Operating Group Limited Partnership Agreements provide for the establishment of a Partner Performance Committee. The Partner Performance Committee currently consists of Daniel S. Och, Joel M. Frank, David Windreich, Michael L. Cohen, Zoltan Varga and Harold A. Kelly, with Mr. Och serving as Chairman. The vote of Mr. Och will break any deadlock. Each member of the Partner Performance Committee shall serve until such partner's withdrawal, death, disability or, other than with respect to Mr. Och, removal by the other members of the Partner Performance Committee. Upon Mr. Och's withdrawal, death or disability, the remaining members of the Partner Performance Committee shall act by majority vote to replace Mr. Och with a partner (who may or may not also serve as Chairman), until such partner's withdrawal, death, disability or removal by the other members of the Partner Performance Committee. Upon the withdrawal, death, disability or removal of any of the members of the Partner Performance Committee other than the Chairman, the remaining members of the committee shall act by majority vote to fill such vacancy. Upon a reconstitution as provided above, the Partner Performance Committee shall have the same rights of reconstitution in the event of the new member's withdrawal, death, disability or removal. Under the Operating Group Limited Partnership Agreements, the general partner shall delegate to the Partner Performance Committee the authority to terminate any partner, other than Mr. Och, with or without cause, as provided under *Vesting; Forfeiture* below. At all times there is a Chairman, any such termination shall be made only upon the recommendation of the Chairman.

***Partnership Interests***

Class A common units, Class B common units and Class D common units, together with the Class C Non-Equity Interests, currently constitute all limited partner interests in each of the Och-Ziff Operating Group entities. Class A common units and Class B common units constitute common equity interests in each of the Och-Ziff Operating Group entities and, except as expressly provided in the Operating Group Limited Partnership Agreements, entitle the holders thereof to equal rights, other than voting rights, under our Operating Group Limited Partnership Agreements, including with respect to distributions. The Class A common units and Class B common units have no preference or priority over other securities of each Och-Ziff Operating Group entity (other than the Class D common units to the extent described below) and, upon liquidation, dissolution or winding up, are entitled to any assets remaining after payment of all debts and liabilities of the respective Och-Ziff Operating Group entity. The Class C Non-Equity Interests were issued, and may be issued in the future solely for the purpose of making future discretionary income allocations, if any, to holders thereof and do not represent common equity interests in the Och-Ziff Operating Group entities. The Class D common units constitute non-equity profit interests in each of the Och-Ziff Operating Group entities. These units have been issued to partners admitted to the Och-Ziff Operating Group entities following our initial public offering. Each Class D common unit will automatically convert into a

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Class A common unit to the extent that the general partner determines, consistent with relevant regulations under the Internal Revenue Code of 1986, as amended and in effect from time to time, that there has been sufficient appreciation (as defined in each of the Operating Group Limited Partnership Agreements) to result in such Class D common unit becoming economically equivalent to one Class A common unit. Upon such automatic conversion, the holder of the Class A common units will generally remain subject to pre-existing vesting requirements and have all of the rights of a holder of such units, including under the Exchange Agreement and the Tax Receivable Agreement. The Class C Non-Equity Interests will not be entitled to any assets upon liquidation, dissolution or winding up of any Och-Ziff Operating Group entity other than undistributed amounts, if any, to which the holder is entitled in respect of prior discretionary or non-discretionary income allocations. The Class D common units will only be entitled to share in assets upon liquidation, dissolution or winding up to the extent that there has been sufficient appreciation subsequent to the issuance of such units. Currently, the respective intermediate holding company of each Och-Ziff Operating Group entity in its capacity as a limited partner holds all of the Class B common units of such entity, our partners and the Ziffs hold all of the Class A common units of such entity and our partners hold all of the Class C Non-Equity Interests and Class D common units of such entity.

From time to time, the general partners of the Och-Ziff Operating Group entities may establish other classes or series of units, each having such relative rights, powers and duties and interests in profits, losses, allocations and distributions of the limited partnership as may be determined by the general partner. Among other things, the general partner has authority to specify: (i) the allocations of items of partnership income, gain, loss, deduction and credit to holders of each such class or series of units; (ii) the right of holders of each such class or series of units to share (on a pari passu, junior or preferred basis) in partnership distributions; (iii) the rights of holders of each such class or series of units upon dissolution and liquidation of the limited partnership; (iv) the voting rights, if any, of holders of each such class or series of units; and (v) the conversion, redemption or exchange rights applicable to each such class or series of units (including the right to exchange for Class A Shares). The total number of units that may be created pursuant to the foregoing and the issuance thereof that may be authorized by the general partner is not limited under the Operating Group Limited Partnership Agreements.

***Och-Ziff Operating Group Distributions***

Subject to the terms of the Operating Group Limited Partnership Agreements and any additional classes or series of units established by the general partner, distributions are made, after distributions for taxes, as and when determined by the general partner, to the holders of Och-Ziff Operating Group Units in accordance with their Och-Ziff Operating Group Units, whether or not vested. These distributions have historically corresponded to dividends paid to holders of our Class A Shares. Similarly, discretionary income allocations will be made to the holders of the Class C Non-Equity Interests, in consultation with the Compensation Committee, as and when determined by the Chairman of the Partner Management Committee or, in the event there is no Chairman, by majority vote of the Partner Management Committee (in conjunction with our Compensation Committee) or by the general partner at such time as our partners hold less than 40% of the total combined voting power of the Company. The general partner interest in an Och-Ziff Operating Group entity held by the general partner will not entitle the general partner to receive any distributions. The general partner may cause an Och-Ziff Operating Group entity to make distributions of cash, units or other assets or property of the respective limited partnership. No limited partner has the right to demand that an Och-Ziff Operating Group entity distribute any assets in kind to such partner.

During 2011, we paid distributions to holders of Och-Ziff Operating Group Units and dividends to holders of Class A Shares of record as of February 18, 2011, May 12, 2011, August 15, 2011 and November 21, 2011. The amount of these distributions to our Named Executive Officers during 2011 are as follows: \$210,900,233 for Mr. Och and his related trusts, \$9,344,788 for Mr. Frank and his related trusts, \$48,794,341 for Mr. Windreich and his related trusts, \$29,193,233 for Mr. Cohen and his related trusts and \$391,000 for Mr. Blockinger. Distributions and dividends paid in any given quarterly period are generally in respect of the Company's results of operations for the prior quarter.

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***Vesting; Forfeiture***

The Operating Group Limited Partnership Agreements provide that the Och-Ziff Operating Group A Units held by each of our partners (except for a portion of the Och-Ziff Operating Group A Units held by certain partners admitted to the Och-Ziff Operating Group following our IPO) will generally vest, subject to each such partner's continued active involvement with us, in five equal annual installments beginning on November 19, 2008, the first anniversary of the closing of our initial public offering. Generally, other than the Och-Ziff Operating Group A Units reallocated among partners admitted to the Och-Ziff Operating Group subsequent to the initial public offering, all of the Och-Ziff Operating Group A Units reallocated among partners retained their original vesting schedule. Accordingly, approximately 80% of the Och-Ziff Operating Group A Units granted at the time of the IPO have already vested and the remaining unvested Och-Ziff Operating Group A Units will vest in full on November 19, 2012. These vesting requirements may be waived by the Chairman of the Partner Management Committee (or by majority vote of the Partner Management Committee with respect to the Chairman or in the event there is no Chairman). To date, the Partner Management Committee extended the vesting requirements for two years with respect to 400,000 Och-Ziff Operating Group A Units that were reallocated in December 2009. The Operating Group Limited Partnership Agreements also provide that all of the Och-Ziff Operating Group D Units held by the partners admitted after our initial public offering will vest, subject to such partners' continued active involvement with us, in five equal annual installments beginning on the first anniversary of their admission as a partner of the Och-Ziff Operating Group. To the extent Och-Ziff Operating Group D Units convert into Och-Ziff Operating Group A Units, including those Units held by Mr. Blockinger that have converted to date, such Units will remain subject to pre-existing vesting requirement (see *Partnership Interests* above). Upon any reallocation of Och-Ziff Operating Group D Units, each such Unit will automatically convert into one Och-Ziff Operating Group A Unit, but will retain its original vesting schedule, unless otherwise determined by the Partner Management Committee or its Chairman. The Operating Group Limited Partnership Agreements provide that all of the Och-Ziff Operating Group B Units held by our intermediate holding companies were fully vested upon the consummation of our initial public offering. In the event of the death or disability of a partner, the Och-Ziff Operating Group A Units and Och-Ziff Operating Group D Units will continue to vest in accordance with the current vesting schedule applicable to such Units. These vesting requirements, however, may be waived at any time with the approval of the Partner Management Committee. All of the Class C Non-Equity Interests held by a partner will be canceled upon such partner's withdrawal, death or disability.

The Operating Group Limited Partnership Agreements further provide that, in the event a partner (a *Forfeiting Partner*): (i) voluntarily terminates his active involvement with us for any reason prior to the full vesting of his Och-Ziff Operating Group Units; (ii) other than with respect to Mr. Och, is terminated by the Och-Ziff Operating Group for *cause* (as defined below) prior to the full vesting of his Och-Ziff Operating Group Units; or (iii) other than with respect to Mr. Och, is terminated by the majority vote of the Partner Performance Committee (and, if there is a Chairman of such Committee, then only following the recommendation of such Chairman) for any reason (in each case, a *Forfeiture Event*), such *Forfeiting Partner's* unvested Och-Ziff Operating Group Units (and all distributions received with respect to such Och-Ziff Operating Group Units after the date of *Forfeiture Event*) shall be forfeited (such Och-Ziff Operating Group Units forfeited and related distributions, the *Forfeited Interests*) as of the *Reallocation Date* (as defined below) to our partners who continue to be actively involved with us as of the *Reallocation Date* generally in proportion to the Och-Ziff Operating Group Units held by the *Continuing Partners* at the time of our initial public offering or their admission to the Och-Ziff Operating Group, as applicable. Mr. Och serves as Chairman of the Partner Performance Committee. Mr. Och is not subject to termination by the Partner Performance Committee. The Ziffs' interest is not subject to forfeiture.

*Effect of Forfeiture.* Absent a determination by the Partner Management Committee to reallocate in a different manner, any *Forfeited Interests* generally will be allocated among the *Continuing Partners* in the same form as and in proportion to the Och-Ziff Operating Group Units held by them. To the extent that a *Continuing Partner* receives *Forfeited Interests* of a *Forfeiting Partner*, such *Forfeited Interests* shall be deemed to be interests of the *Continuing Partner* for all purposes of the Operating Group Limited Partnership Agreements; provided that the *Continuing Partner* receiving such *Forfeited Interests* shall be: (i) subject to any continuing vesting requirements; and (ii) permitted to exchange any Och-Ziff Operating Group A Units received in connection with a forfeiture and sell

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the Class A Shares issued in respect thereof solely in each case as may be required to pay taxes payable as a result of the receipt of such interests. The forfeiture provisions with respect to unvested Och-Ziff Operating Group Units lapse with respect to a partner and such partner's permitted transferees if such partner dies or becomes disabled prior to a Forfeiture Event with respect to such partner.

Any Forfeiting Partner shall be required, after the Reallocation Date, to pay the same fees with respect to any remaining pre-IPO investments by such Forfeiting Partner in any of our funds as paid by other investors in such funds.

The forfeiture provisions of the Operating Group Limited Partnership Agreements have been and may be amended and their terms and conditions relating to forfeiture have been and may be waived, changed or modified upon the approval of the Chairman of the Partner Management Committee (or of a majority of the Partner Management Committee if there is no Chairman). We, our Shareholders and the Och-Ziff Operating Group entities have no ability to enforce such provisions or to prevent any forfeiture obligation from being amended or waived by the Chairman of the Partner Management Committee (or a majority of the Partner Management Committee if there is no Chairman).

For the purposes of the Operating Group Limited Partnership Agreements:

Cause means that a partner: (i) has committed an act of fraud, dishonesty, misrepresentation or breach of trust; (ii) has been convicted of a felony or any offense involving moral turpitude; (iii) has been found by any regulatory body or self-regulatory organization having jurisdiction over us or our affiliates to have, or has entered into a consent decree determining that such partner, violated any applicable regulatory requirement or a rule of a self-regulatory organization; (iv) has, in the capacity as a partner, committed an act constituting gross negligence or willful misconduct; (v) has violated in any material respect any agreement with respect to us or our affiliates; (vi) has become subject to any proceeding seeking to adjudicate such partner as bankrupt or insolvent, or seeking liquidation, reorganization, arrangement, adjustment, protection, relief or composition of the debts of such partner under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for such partner or for any substantial part of the property of such partner, or such partner has taken any action authorizing such proceeding; or (vii) has breached any of the non-competition, non-solicitation or non-disparagement covenants provided in the Operating Group Limited Partnership Agreements.

Reallocation Date means, as to any Forfeited Interests, the date which is the earlier of: (i) the date that is six months after the applicable Forfeiture Event; or (ii) the date on or after such Forfeiture Event that is six months after the date of the latest publicly reported disposition of our equity securities by any such Continuing Partner, which disposition is not exempt from the application of the provisions of Section 16(b) of the Exchange Act, unless otherwise determined by the Chairman of the Partner Management Committee (or a majority of the Partner Management Committee if there is no Chairman).

### ***Transfer and Other Restrictions Applicable to Partners Other Than the Ziffs***

*Generally.* None of our partners may transfer any of such partner's Och-Ziff Operating Group Units without approval of the general partner, which approval may be granted or withheld in the general partner's sole and complete discretion; provided, however, that without the general partner's approval, our partners may: (i) transfer units pursuant to the Exchange Agreement; (ii) transfer units to a permitted transferee of such partner upon approval by the Chairman of the Partner Management Committee (or by majority vote of the Partner Management Committee with respect to the Chairman or in the event there is no Chairman) as provided below; (iii) transfer units upon approval by the Chairman of the Partner Management Committee (or by majority vote of the Partner Management Committee with respect to the Chairman or in the event there is no Chairman) as provided below; (iv) transfer units received in connection with a Forfeiture Event as necessary to pay taxes arising from the receipt of such units; or (v) transfer units in connection with the exercise of the co-sale rights described below under *Certain Co-Sale Rights*. A limited partner may not withdraw from an Och-Ziff Operating Group entity prior to the respective entity's termination without the consent of the general partner.

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*Transfers Approved by the Partner Management Committee and Other Transfers.* The Operating Group Limited Partnership Agreements also provide that none of our partners, or any partner's permitted transferee, may, directly or indirectly, voluntarily effect any transfer of interests in an Och-Ziff Operating Group entity other than to any of such partner's permitted transferees, except as permitted under the Operating Group Limited Partnership Agreements. Transfers to permitted transferees may be made with the consent of the Chairman of the Partner Management Committee (or by majority vote of the Partner Management Committee with respect to the Chairman or in the event there is no Chairman), which consent may not be unreasonably withheld.

A permitted transferee means with respect to each of our partners (or a partner's permitted transferees) a: (i) charitable organization controlled by such partner; (ii) trust or other estate planning vehicle, all of the current beneficiaries of which are lineal descendants of such partner and his spouse; (iii) corporation, limited liability company or partnership, of which all of the outstanding shares of capital stock or interests therein are owned by no one other than such partner, his spouse and/or his lineal descendants; and (iv) legal or personal representative of such partner in the event of his disability.

The Operating Group Limited Partnership Agreements provide that the Chairman of the Partner Management Committee (or a majority of the full committee with respect to the Chairman or if there is no Chairman) may approve an exchange of a limited partner's Och-Ziff Operating Group A Units to permit a sale of Class A Shares issued in respect thereof pursuant to an exercise of registration rights by the Demand Committee under the Registration Rights Agreement. See *Registration Rights Agreements* above. The Demand Committee will consist of the members of the Partner Management Committee. In such event, any partner and such partner's permitted transferee(s) may transfer the Och-Ziff Operating Group A Units that have vested as provided above in such amount to permit the transfer of the number of Class A Shares issued in respect thereof permitted to be included in the registration under the Registration Rights Agreement.

In addition, after November 19, 2012, the fifth anniversary of our initial public offering, generally there will be no restrictions on exchanges by any of our partners or the Ziffs of their Och-Ziff Operating Group A Units granted at the time of the IPO for Class A Shares under the Exchange Agreement, and transfers to effect such exchanges will be unrestricted. On or prior to such fifth anniversary, we will be required to file a shelf registration statement covering the resale of all Class A Shares held by our partners or the Ziffs or issuable upon exchange of their Och-Ziff Operating Group A Units.

The transfer restrictions set forth in the Operating Group Limited Partnership Agreements may be waived at any time by the Chairman of the Partner Management Committee (or by majority vote of the Partner Management Committee with respect to the Chairman or in the event there is no Chairman).

### ***Minimum Ownership Requirements***

Each partner actively involved with us, including Mr. Och, is required to continue to hold (and may not transfer), during his active involvement with us and during the two-year period immediately following the date of termination of his active involvement with us for any reason, 25% of the vested interests in our business received by him, without reduction for dispositions. Such minimum ownership requirements may be waived by the Chairman of the Partner Management Committee (or by majority vote of the Partner Management Committee with respect to the Chairman or in the event there is no Chairman).

### ***Restrictions on Transfer of the Ziffs' Interest in Our Business***

The Ziffs hold Och-Ziff Operating Group A Units that are subject to vesting (without regard to service or performance conditions) and transfer restrictions as described below but are not subject to forfeiture or minimum retained ownership requirements. The Och-Ziff Operating Group A Units held by the Ziffs following the completion of our initial public offering have the same vesting schedule as the Och-Ziff Operating Group A Units issued to our partners in connection with our initial public offering: they vest in five equal annual installments starting on



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November 19, 2008. Accordingly, 80% of the Och-Ziff Operating Group A Units held by the Ziffs have already vested and the unvested Group A Units will vest in full on November 19, 2012. The Ziffs are restricted from transferring any Och-Ziff Operating Group A Units prior to vesting. The Ziffs do not have any demand registration rights with respect to any Class A Shares acquired by them upon exchange of their Och-Ziff Operating Group A Units but have the same piggyback registration rights as our partners and are entitled to include their Class A Shares in the shelf registration statement that we are required to file on or prior to the fifth anniversary of our initial public offering. In addition, following the first anniversary of our initial public offering, the Ziffs also are generally entitled under the Exchange Agreement, in any given fiscal quarter, to exchange their Och-Ziff Operating Group A Units for Class A Shares up to a certain amount as specified in the Exchange Agreement. See Certain Agreements of Och-Ziff and the Och-Ziff Operating Group Entities Exchange Agreement. The Ziffs are generally entitled to sell any such Class A Shares received on any such exchange, subject to applicable law. The Ziffs are also permitted to contribute their vested Och-Ziff Operating Group A Units to charities, subject to the approval of the Chairman of the Partner Management Committee. The foregoing vesting requirements and transfer restrictions may be waived by the Chairman of the Partner Management Committee (or by majority vote of the Partner Management Committee in the event there is no Chairman) at any time.

***Certain Co-Sale and Drag-Along Rights***

Our partners and the Ziffs are entitled to participate, on a pro rata basis, in a private sale by any of our partners to a strategic buyer or in which Mr. Och participates, in either case, involving 5% or more of the interests in our business then held by our partners and the Ziffs. In addition, if any partner or group of partners proposes to sell to a third party at least 50% of the interests in our business on a fully diluted basis, the selling partner or partners may require our other partners to participate in such sale on a pro rata basis. The Ziffs are not subject to this selling obligation.

***Issuance of Equity Securities by Och-Ziff***

If Och-Ziff issues any equity securities, it is expected that, unless the relevant prospectus supplement indicates otherwise: (i) we will immediately contribute the cash proceeds or other consideration received from such issuance, and from the exercise of any rights contained in any such securities, to Och-Ziff Corp and Och-Ziff Holding and any future intermediate holding companies (allocated between them in accordance with their relative values at the time such equity securities are issued); (ii) Och-Ziff Corp will immediately contribute its portion of such cash proceeds or other consideration to OZ Management and OZ Advisors I and any other entities that Och-Ziff Corp directly acquires an interest in after the date of our initial public offering (allocated among them in accordance with their relative values at the time such equity securities are issued); (iii) Och-Ziff Holding will immediately contribute its portion of such cash proceeds or other consideration to OZ Advisors II and any other entities that Och-Ziff Holding directly acquires an interest in after the date of our initial public offering (allocated among them in accordance with their relative value at the time such equity securities are issued); (iv) any future intermediate holding company will similarly contribute its portion of such cash proceeds or other consideration to any Och-Ziff Operating Group entity of which it is the general partner in the same manner as Och-Ziff Corp and Och-Ziff Holding (as provided in (ii) and (iii) above); (v) in exchange for the portion of such cash proceeds or other consideration contributed to the Och-Ziff Operating Group, the general partner will receive (x) in the case of an issuance of Class A Shares, Och-Ziff Operating Group B Units, and (y) in the case of an issuance of any other equity securities by Och-Ziff, except for Class B Shares, a new class or series of units or other equity securities of the Och-Ziff Operating Group with designations, preferences and other rights, terms and provisions that are substantially the same as those of such Och-Ziff equity securities (with any dollar amounts adjusted to reflect the portion of the total amount of cash proceeds or other consideration received by Och-Ziff that is contributed to the Och-Ziff Operating Group); and (vi) in the event of any subsequent transaction involving such Och-Ziff equity securities (including a share split or combination, a distribution of additional Och-Ziff equity securities, a conversion, redemption or exchange of such Och-Ziff equity securities), the general partner will concurrently effect a similar transaction with respect to the units or other equity securities issued by the limited partnership in connection with the issuance of such Och-Ziff equity securities.

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In the event of any issuance of equity securities by Och-Ziff, and the contribution of the cash proceeds or other consideration received from such issuance as described above, the Och-Ziff Operating Group shall pay or reimburse Och-Ziff (directly or indirectly by paying and reimbursing the general partner) for its pro rata portion (based on the portion of the total cash proceeds or other consideration contributed to the Och-Ziff Operating Group) of the expenses incurred by Och-Ziff in connection with such issuance, including any underwriting discounts or commissions.

### ***Limitation on Partner Liability***

The debts and liabilities of the Och-Ziff Operating Group, whether arising in contract, tort or otherwise, are solely the debts and liabilities of the limited partnership, and no limited partner is obligated personally for any such debt, obligation or liability of the respective limited partnership solely by reason of being a limited partner. Pursuant to the Delaware Revised Uniform Limited Partnership Act, Och-Ziff Corp or Och-Ziff Holding, as applicable, in its capacity as the general partner of the applicable Och-Ziff Operating Group entity, is liable for the debts and liabilities of the limited partnership to the extent that the limited partnership cannot satisfy such debts and liabilities out of its assets, except to the extent such liability is contractually limited.

### ***Indemnification and Exculpation***

To the fullest extent permitted by applicable law, the general partner of the Och-Ziff Operating Group and its affiliates, officers, directors, shareholders, members, employees, representatives and agents are indemnified and held harmless by the Och-Ziff Operating Groups for and from any liabilities, demands, claims, actions or causes of action, regulatory, legislative or judicial proceedings or investigations, assessments, levies, judgments, fines, amounts paid in settlement, losses, fees, penalties, damages, costs and expenses and interest on the foregoing sustained or incurred by persons by reason of any act performed or omitted by such persons in connection with the affairs of the Och-Ziff Operating Group unless such act or omission constitutes fraud, gross negligence or willful misconduct. All indemnity claims will be paid out of partnership assets only, and no limited partner has any personal liability for any such claims.

To the fullest extent permitted by applicable law, the general partner of the Och-Ziff Operating Group and its affiliates, officers, directors, shareholders, members, employees, representatives and agents are not liable to the partnership or any limited partner or any affiliate of any limited partner for any damages incurred by reason of any act performed or omitted by such person unless such act or omission constitutes fraud, gross negligence or willful misconduct. The general partner and its affiliates, officers, directors, shareholders, members, employees, representatives and agents are fully protected in relying upon the records of the Och-Ziff Operating Group and upon such information, opinions, reports or statements presented to the Och-Ziff Operating Group by any person as to matters the general partner or its affiliates, officers, directors, shareholders, members, employees, representatives or agents reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Och-Ziff Operating Group.

We have entered into separate indemnification agreements with our directors and officers. Each indemnification agreement provides for indemnification against certain liabilities and for the advancement or payment of expenses, as more fully described below under Indemnification Agreements.

### ***Dissolution***

An Och-Ziff Operating Group entity will be dissolved and its affairs will be wound up upon the first to occur of: (i) the entry of a decree of judicial dissolution of the limited partnership under Section 17-802 of the Delaware Revised Uniform Limited Partnership Act; and (ii) the determination of the general partner to dissolve the respective Och-Ziff Operating Group entity. Except as provided in the Operating Group Limited Partnership Agreements, the death, disability, resignation, expulsion, bankruptcy or dissolution of any partner or the occurrence of any other event which terminates the continued partnership of any partner in the Och-Ziff Operating Group shall not cause the Och-Ziff Operating Group to be dissolved or its affairs wound up; provided, however, that at any time after the

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bankruptcy of the general partner, the holders of a majority of the Class B common units in the aggregate may replace the general partner with another person or entity, who will become a successor general partner of the limited partnership, will be vested with the powers and rights of the general partner, and will be liable for all obligations and responsible for all duties of the general partner from the date of such replacement. The holders of Class A common units or Class D common units will not have the right to vote their common units with respect to the removal of the general partner in the event of the bankruptcy of the general partner. Upon the winding up of an Och-Ziff Operating Group entity, after payment in full of all amounts owed to the limited partnership's creditors, and after payment in full of all amounts owed to holders of units having liquidation preferences, if any, the holders of Och-Ziff Operating Group Units will be entitled to receive the remaining assets of the respective limited partnership available for distribution in accordance with and to the extent of positive balances in the respective capital accounts of such holders after taking into account certain adjustments.

***Amendments***

Except as may be otherwise required by law, the Operating Group Limited Partnership Agreements may be amended by the general partner without the consent or approval of any limited partners; except that, generally: (i) if an amendment adversely affects the rights of a unit holder (other than the Ziffs or any transferee thereof) other than on a pro rata basis with other unit holders of the same class, such unit holder must consent to the amendment; (ii) no amendment may adversely affect the rights of a class of unit holders (other than the Ziffs or any transferee thereof) without the consent of holders of a majority of the outstanding units of such class (other than units held by the Ziffs or any transferee thereof); (iii) these amendment provisions may not be amended without the written consent of partners holding a majority of the Och-Ziff Operating Group A Units and Och-Ziff Operating Group D Units then owned by all of our partners; and (iv) the provisions relating to forfeiture by a partner of its Och-Ziff Operating Group Units and their reallocation to other partners may be amended only by the Chairman of the Partner Management Committee (or, if there is no Chairman, by the full committee acting by majority consent).

No amendment to the Operating Group Limited Partnership Agreements which is materially adverse to the Ziffs may be made without the written consent of the Ziffs, unless such amendment similarly affects all or a substantial number of the other limited partners, in which case the consent of the Ziffs shall not be required; provided that no amendment may be made without the written consent of the Ziffs if such amendment would have the effect of: (i) adversely altering the rights of holders of Och-Ziff Operating Group A Units without similarly altering the rights of holders of Och-Ziff Operating Group B Units, except to the extent that such alteration of the rights of holders of Och-Ziff Operating Group A Units is required by applicable law or regulation; (ii) adversely altering the Ziffs' rights to transfer their Units or to participate in any registrations, except to the extent that such alteration is required by applicable law or regulation; (iii) reducing the Ziffs' interest in greater proportion than Mr. Och's interest in Och-Ziff Operating Group A Units is reduced; (iv) reducing distributions to the Ziffs in greater proportion than distributions to Mr. Och, solely in his capacity as a holder of Och-Ziff Operating Group A Units and not in any other capacity including his capacity as a holder of Class C Non-Equity Interests, are reduced; or (v) reducing distributions to the Ziffs in greater proportion than distributions to the holders of Och-Ziff Operating Group B Units are reduced.

***Non-Competition, Non-Solicitation and Confidentiality Restrictions***

Each of our partners is subject to certain obligations and restrictions in the Operating Group Limited Partnership Agreements with respect to competing with us, not soliciting our employees or investors in our funds, not disparaging us, and not disclosing confidential information about our business and related matters, as more fully described under Executive and Director Compensation Employment Agreements Severance Benefits and Change in Control Provisions.

**Expense Allocation Agreement**

We have entered into an Expense Allocation Agreement with the Och-Ziff Operating Group entities pursuant to which substantially all of Och-Ziff's ongoing expenses (other than: (i) income tax expenses of Och-Ziff Capital

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Management Group LLC and the intermediate holding companies; (ii) obligations incurred under the Tax Receivable Agreement; and (iii) payments on any indebtedness incurred by Och-Ziff Capital Management Group LLC and the intermediate holding companies), including substantially all the ongoing expenses incurred by or attributable solely to Och-Ziff Capital Management Group LLC, will be accounted for as expenses of the Och-Ziff Operating Group.

## **Indemnification Agreements**

We have entered into an indemnification agreement with each of our directors and executive officers. The indemnification agreements provide for, among other things, indemnification to the fullest extent permitted by law and our Operating Agreement against: (i) any and all expenses and liabilities, including judgments, fines, penalties, interest and amounts paid in settlement of any claim with our approval, and counsel fees and disbursements; (ii) any liability pursuant to a loan guarantee, or otherwise, for any of our indebtedness; and (iii) any liabilities incurred as a result of acting on our behalf (as a fiduciary or otherwise) in connection with an employee benefit plan, if such director or executive officer acted in a manner not constituting fraud, gross negligence or willful misconduct. The indemnification agreements provide for the advancement or payment of all expenses to the director or executive officer and for reimbursement to us if it is found that such director or executive officer is not entitled to such indemnification under applicable law and our Operating Agreement. The Operating Group Limited Partnership Agreements also require the Och-Ziff Operating Group Entities to indemnify and exculpate our partners, including those who are our executive officers.

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**MISCELLANEOUS INFORMATION**

**Shareholder Proposals and Director Nominations**

To be considered for inclusion in our proxy statement for the 2013 Annual Meeting, Shareholder proposals must be received at our offices no later than December 5, 2012. Proposals must comply with Rule 14a-8 under the Exchange Act, and must be submitted in writing to Och-Ziff Capital Management Group LLC, 9 West 57<sup>th</sup> Street, New York, New York 10019, Attention: Office of the Secretary.

As more specifically provided for in our Operating Agreement, in order for a Shareholder to introduce a Shareholder proposal or nominate a director candidate from the floor of the 2013 Annual Meeting, the Shareholder must deliver such proposal or nomination in writing to our Secretary at the above address not earlier than December 5, 2012, and no later than January 4, 2013. If the date of the 2013 Annual Meeting is held on a date that is more than 30 days from the anniversary of the 2012 Annual Meeting, then any such proposal or nomination must be received no later than the close of business on the 10th day following the day on which public disclosure of the date of such meeting is first made. In addition, if the number of directors to be elected to the Board of Directors at the 2013 Annual Meeting is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board by at least January 4, 2013, then any nomination with respect to nominees for any new positions created by such increase must be received by the close of business on the 10th day following the day on which public announcement of the increase is first made. The Shareholder's submission must be made by a registered Shareholder on his or her behalf or on behalf of the beneficial owner of the Shares, and must include information specified in our Operating Agreement.

**Householding**

The broker, trustee or other nominee for any Shareholder who is a beneficial owner of the Shares may deliver only one copy of our proxy statement and annual report to multiple Shareholders who share the same address, unless that broker, trustee or other nominee has received contrary instructions from one or more of the Shareholders. This practice, known as "householding," is designed to reduce duplicate mailings and save significant printing and processing costs, as well as natural resources. We will deliver promptly, upon written or oral request, a separate copy of the proxy statement and annual report to a Shareholder at a shared address to which a single copy of the documents was delivered. A Shareholder who wishes to receive a separate copy of the proxy statement and annual report, now or in the future, may obtain one, without charge, by addressing a written request to Och-Ziff Capital Management Group LLC, 9 West 57<sup>th</sup> Street, New York, New York 10019, Attention: Office of the Secretary or by calling (212) 790-0041. You may also obtain a copy of the proxy statement and annual report on the "Class A Shareholders' Financials and SEC Filings" section of our website ([www.ozcap.com](http://www.ozcap.com)). Beneficial owners sharing an address who are receiving multiple copies of proxy materials and annual reports and wish to receive a single copy of such materials in the future will need to contact their broker, trustee or other nominee to request that only a single copy of each document be mailed to all Shareholders at the shared address in the future.

**Annual Report**

Our Annual Report on Form 10-K for the year ended December 31, 2011, is included with these proxy solicitation materials. **A copy of our Annual Report, including the financial statements included therein, is also available without charge by visiting the Company's website ([www.ozcap.com](http://www.ozcap.com)) or upon written request to Och-Ziff Capital Management Group LLC, 9 West 57<sup>th</sup> Street, New York, New York 10019, Attention: Office of the Secretary.**

BY ORDER OF THE BOARD OF DIRECTORS

April 4, 2012  
New York, New York

Name: Jeffrey C. Blockinger  
Title: Chief Legal Officer, Chief Compliance Officer and Secretary

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**Exhibit A**

**Och-Ziff Capital Management Group LLC (the Company )**

**Board of Directors Independence Standards**

An independent director is a director whom the Board of Directors has determined has no material relationship with the Company or any of its consolidated subsidiaries (collectively, the Company ), either directly or indirectly.

To assist it in making determinations of director independence, the Board has determined that each of the relationships below is categorically immaterial and therefore, by itself, does not preclude a director from being independent:

1. the director has an immediate family member who is, or has been within the last three years, employed by the Company other than as an executive officer;
2. the director has received, or has an immediate family member who has received, during any 12-month period within the last three years, \$120,000 or less in direct compensation from the Company, not including board and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
3. (A) the director has an immediate family member who is a current employee (but not a partner) of a firm that is the Company s internal or outside auditor, but does not personally work on (and has not personally worked on in the last three years) the Company s audit; or (B) the director or an immediate family member was, within the last three years, a partner or employee of a firm that is the Company s internal or outside auditor but no longer works at the firm and did not personally work on the Company s audit within that time;
4. the director or an immediate family member is, or has been within the last three years, employed at another company where any of the Company s present executive officers serves or served at the same time on that company s compensation committee, but the director or the director s immediate family member is (or was) not an executive officer of the other company and his or her compensation is not (or was not) determined or reviewed by that company s compensation committee;
5. the director or an immediate family member is a current employee of a company that has made payments to, or received payments from, the Company for property or services in an amount that, in any of the last three fiscal years, was less than \$1 million or 2% of the other company s consolidated gross revenues, whichever is greater; and
6. the director or an immediate family member is an employee (other than an executive officer) of a non-profit organization to which the Company has made contributions that, in any of the last three fiscal years, were less than \$1 million or 2% of the non-profit organization s consolidated gross revenues, whichever is greater.

An immediate family member includes a director s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than a domestic employee) who shares the director s home.

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**OCH-ZIFF CAP MNGT GROUP LLC**

**OFFICE OF THE SECRETARY**

**9 WEST 57TH STREET**

**NEW YORK, NY 10019**

**VOTE BY INTERNET - www.proxyvote.com**  
 Use the Internet to transmit your voting instructions to the proxies and request electronic delivery of information up until 11:59 P.M. Eastern Time May 7, 2012. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**VOTE BY PHONE - 1-800-690-6903**  
 Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time May 7, 2012. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**  
 Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**The Board of Directors recommends you vote**

**FOR the following:**

	<b>For</b>	<b>Withhold</b>	<b>For All</b>	To withhold authority to vote for any individual nominee(s), mark <b>For All Except</b> and write the number(s) of the nominee(s) on the line below.
	<b>All</b>	<b>All</b>	<b>Except</b>	
	..	..	..	

**Nominees:**  
 01 David Windreich      02 J. Barry Griswell      03 Georganne C. Proctor

**The Board of Directors recommends you vote FOR the following proposal:**

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
2. To ratify the appointment of Ernst & Young LLP as Och-Ziff's independent registered public accounting firm for the year ending December 31, 2012.	..	..	..

**NOTE: THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED HEREIN. UNLESS CONTRARY INSTRUCTIONS ARE PROPERLY GIVEN, THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED FOR ALL OF THE NOMINEES SET FORTH IN PROPOSAL NO. 1, FOR PROPOSAL NO. 2 AND IN ACCORDANCE WITH THE DISCRETION OF THE PROXYHOLDERS AS TO ANY OTHER MATTER THAT IS PROPERLY PRESENTED.**

# Edgar Filing: LANDAIR CORP - Form SC TO-T/A

For address change / comments, mark here. (see reverse for instructions)

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date



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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice & Proxy Statement, and Annual Report is/are available at [www.proxyvote.com](http://www.proxyvote.com).

**Proxy Card**

**Annual Meeting of Shareholders**

**to be held May 8, 2012**

**OCH-ZIFF CAPITAL MANAGEMENT GROUP LLC**

**PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned acknowledge(s) receipt of a Notice of the Annual Meeting of Shareholders to be held on May 8, 2012, the accompanying Proxy Statement and the Annual Report for the year ended December 31, 2011. The undersigned further hereby appoint(s) Jeffrey C. Blockinger and Joseph A. Brucchieri, and each of them, with power to act without the other and with full power of substitution in each, as proxies and attorneys-in-fact and hereby authorizes them to represent and vote, as provided on the other side, all the voting shares of Och-Ziff Capital Management Group LLC that the undersigned is entitled to vote, and, in their discretion, to vote upon such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof, with all powers which the undersigned would possess if present at the Annual Meeting.

**Address change / comments:**

(If you noted any Address Changes and/or Comments above, please mark corresponding box on the reverse side.)

**Continued and to be signed on reverse side**

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**If you plan to attend the  
2012 Annual Meeting, please  
use the admission ticket  
attached hereto following  
the last page of the Proxy  
Statement.**

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**ADMISSION TICKET**

**Och-Ziff Capital Management Group LLC**

**2012 Annual Meeting of Shareholders**

**Tuesday, May 8, 2012**

**9:00 a.m., Eastern Time**

Offices of Gibson, Dunn & Crutcher LLP

located at 200 Park Avenue, New York, New York 10166

**Shareholders will be admitted to the Annual Meeting beginning at 8:30 a.m. Eastern Time. If you wish to attend, please plan to arrive early since seating will be limited. If you plan to attend the Annual Meeting, please bring this admission ticket with you.**