ACCREDITED HOME LENDERS HOLDING CO
Form 424B3
August 04, 2006

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Filed pursuant to Rule 424(b)(3)
Registration No. 333-135787

YOUR VOTE ON THE PROPOSED TRANSACTION IS VERY IMPORTANT

To the Stockholders of Accredited Home Lenders Holding Co. and Aames Investment Corporation:

The board of directors of each of Accredited Home Lenders Holding Co. and Aames Investment Corporation has agreed to a merger transaction involving their respective companies. If the requisite approval of the Accredited and Aames stockholders is obtained, Aames will merge with and into AHL Acquisition, LLC, a wholly owned subsidiary of Accredited.

If the merger is completed, each share of Aames common stock will be converted into the right to receive *either* (1) cash in an amount equal to $51.94 multiplied by a specified exchange ratio *or* (2) a fraction of a share of Accredited common stock equal to the exchange ratio. The exchange ratio is initially set at 0.1030, but is subject to adjustment as further described in the accompanying joint proxy statement and prospectus. Aames stockholders will have the ability to make a cash or stock election with respect to the consideration they receive in the merger, subject to the proration and allocation mechanisms that are described more fully in the accompanying joint proxy statement and prospectus.

The aggregate consideration to be paid to holders of Aames common stock at the closing of the merger will consist of approximately 4,434,000 shares of Accredited common stock and approximately $109.0 million in cash, each of which is subject to adjustment as described in more detail in the accompanying joint proxy statement and prospectus by any dividends declared or paid by Aames to Aames stockholders prior to the closing of the merger. Based on the closing price of Accredited s common stock on July 31, 2006, the last practicable date prior to the mailing of this joint proxy statement and prospectus, the aggregate value of the merger consideration will be approximately $310 million.

In order to complete the merger, Aames stockholders must approve the merger and Accredited stockholders must approve the issuance of shares of Accredited common stock in connection with the merger. Each of the Accredited and Aames board of directors believes that the merger is in the best interests of its respective company and its company s stockholders, and we ask for your support in voting for the applicable proposal related to the merger described in the accompanying joint proxy statement and prospectus. The special meeting of Accredited stockholders will be held at 15090 Avenue of Science, San Diego, California 92128, on September 14, 2006, at 4:00 p.m., local time. The special meeting of Aames stockholders will be held at the Omni Hotel, 251 South Olive Street, Los Angeles, California 90012, on September 14, 2006, at 9:00 a.m., local time.

The boards of directors of Accredited and Aames have each unanimously approved the merger. Each board recommends that the stockholders of its respective company vote for the applicable proposal related to the merger.

Your vote is important, regardless of the number of shares you own. **Please vote as soon as possible to make sure that your shares are represented at the special meeting. To vote your shares by proxy, please complete and return the enclosed proxy card. You may also cast your vote in person at the special meeting.**

Accredited common stock is listed on the Nasdaq Stock Market under the symbol LEND. Aames common stock is listed on the New York Stock Exchange under the symbol AIC. On July 31, 2006, Aames common stock closed at $4.84 per share and Accredited common stock closed at $45.33 per share.

Sincerely, Accredited Home Lenders Holding Co.	Sincerely, Aames Investment Corporation
James A. Konrath *Chairman of the Board* *and Chief Executive Officer*	A. Jay Meyerson *Chairman of the Board* *and Chief Executive Officer*

This joint proxy statement and prospectus is dated August 2, 2006, and is first being mailed to stockholders on or about August 4, 2006.

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NOTICE OF SPECIAL MEETING OF ACCREDITED STOCKHOLDERS

San Diego, California

August 2, 2006

A special meeting of stockholders of Accredited will be held at 15090 Avenue of Science, San Diego, California 92128, on September 14, 2006, at 4:00 p.m., local time, for the following purposes:

1. To consider and vote on a proposal to approve the issuance of shares of Accredited common stock in the merger of Aames Investment Corporation, or Aames, a Maryland corporation, with and into AHL Acquisition, LLC, or Merger Sub, a Maryland limited liability company, and wholly owned subsidiary of Accredited Home Lenders Holding Co., or Accredited, a Delaware corporation, pursuant to the Agreement and Plan of Merger, dated as of May 24, 2006 by and among Aames, Accredited and Merger Sub. We have included a copy of the merger agreement as Annex A to the attached joint proxy statement and prospectus.

2. To consider and vote on a proposal to amend Accredited s Amended and Restated Certificate of Incorporation to increase the number of authorized shares of capital stock from 45,000,000 to 80,000,000, consisting of 75,000,000 shares of common stock and 5,000,000 shares of preferred stock.

3. To consider and vote upon a proposal to approve adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the first proposal described above.

4. To transact such other business as may properly come before the Accredited special meeting or any adjournment or postponement of the meeting.

Completion of the merger is not conditioned on the approval of the proposal to amend Accredited s Amended and Restated Certificate of Incorporation.

Only stockholders of record at the close of business on July 27, 2006 will be entitled to vote at the Accredited special meeting. We will make available a list of stockholders entitled to vote at the special meeting during ordinary business hours at Accredited s offices at 15090 Avenue of Science, San Diego, California 92128 for a period of at least 10 days prior to the special meeting for examination by any Accredited stockholder entitled to vote at the special meeting for any purpose germane to the special meeting. To vote your shares by proxy, please complete and return the enclosed proxy card. You may also cast your vote in person at the Accredited special meeting. Please vote promptly whether or not you expect to attend the Accredited special meeting.

By order of the Board of Directors,

Stuart D. Marvin

Secretary

PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD.

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NOTICE OF SPECIAL MEETING OF AAMES STOCKHOLDERS

Los Angeles, California

August 2, 2006

A special meeting of stockholders of Aames will be held at the Omni Hotel, 251 South Olive Street, Los Angeles, California 90012, on September 14, 2006, at 9:00 a.m., local time, for the following purposes:

1. To consider and vote on a proposal to approve the merger of Aames Investment Corporation, or Aames, a Maryland corporation, with and into AHL Acquisition, LLC, or Merger Sub, a Maryland limited liability company, and wholly owned subsidiary of Accredited Home Lenders Holding Co., or Accredited, a Delaware corporation, pursuant to the Agreement and Plan of Merger, dated as of May 24, 2006, by and among Aames, Accredited and Merger Sub. We have included a copy of the merger agreement as Annex A to the attached joint proxy statement and prospectus.

2. To consider and vote upon a proposal to approve adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the proposal as described above.

3. To transact such other business as may properly come before the Aames special meeting or any adjournment or postponement of the meeting.

Only stockholders of record at the close of business on August 1, 2006 will be entitled to vote at the Aames special meeting. We will make available a list of stockholders entitled to vote at the special meeting during ordinary business hours at Aames s offices at 350 South Grand Avenue, Los Angeles, California 90071 for a period of at least 10 days prior to the special meeting for examination by any Aames stockholder entitled to vote at the special meeting for any purpose germane to the special meeting. To vote your shares by proxy, please complete and return the enclosed proxy card. You may also cast your vote in person at the Aames special meeting. Please vote promptly whether or not you expect to attend the Aames special meeting.

By order of the Board of Directors,

John F. Madden, Jr.

Secretary

PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

AND THE SPECIAL MEETINGS

Q: *What are the Accredited stockholders being asked to vote on at the Accredited special meeting?*

A. Accredited stockholders are being asked to vote on the following at the Accredited special meeting:

(1) A proposal to approve the issuance of shares of Accredited common stock pursuant to the merger agreement among Accredited, Aames and Merger Sub.

(2) A proposal to amend Accredited s Amended and Restated Certificate of Incorporation to increase the number of authorized shares of capital stock from 45,000,000 to 80,000,000, consisting of 75,000,000 shares of common stock and 5,000,000 shares of preferred stock.

(3) A proposal to approve adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the first proposal described above.

(4) Such other business as may properly come before the Accredited special meeting or any adjournment or postponement of the meeting.

Completion of the merger is not conditioned on approval of the proposal to amend the Accredited Amended and Restated Certificate of Incorporation.

Q: *What are the Aames stockholders being asked to vote on at the Aames special meeting?*

A. Aames stockholders are being asked to vote on the following at the Aames special meeting:

(1) A proposal to approve the merger.

(2) A proposal to approve adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the above proposal described above.

(3) Such other business as may properly come before the Aames special meeting or any adjournment or postponement of the meeting.

Q: *What effect will the merger have on Aames?*

A: As a result of the merger, Aames will become a wholly owned subsidiary of Accredited and Aames stock will no longer be publicly traded.

Q: *What will Aames stockholders receive when the merger occurs?*

A: For each share of Aames common stock, an Aames stockholder will receive *one* of the following:

cash in an amount equal to $51.94 (the closing price of Accredited s common stock on May 24, 2006, the date of the merger agreement) multiplied by the exchange ratio (which we explain below), *or*

a fraction of a share of Accredited common stock equal to the exchange ratio.

The exchange ratio was initially set at 0.1030. That means that on the day that we executed the merger agreement (and subject to the limitations described below) each share of Aames common stock would have been converted into $5.35 in cash or a fraction of a share of Accredited common stock that had a value of $5.35 (based on the closing price of Accredited common stock on the day we executed the merger agreement). However, the exchange ratio will be reduced by any dividends declared or paid by Aames prior to the closing. We will reduce the exchange ratio by multiplying it by 1 minus a fraction, the numerator of which is the amount of any dividends Aames declares or pays prior to closing, and the denominator of which is approximately $340 million.

Under the merger agreement, Aames is required to pay prior to closing a dividend in an amount equal to Aames s estimated 2006 REIT taxable income plus any other amounts that Aames would need to distribute to qualify as a REIT for its final taxable year and to avoid to the extent reasonably possible the incurrence of income or excise tax. Aames currently estimates that, if the closing were to occur on September 30, 2006, it would pay a dividend of approximately $30 million in the aggregate (or $0.48 per share) pursuant to this provision, although Aames cannot provide any assurance as to the amount of any such dividend.

Example: By way of example only, if Aames were to declare dividends prior to the closing of the merger in the aggregate amount of $30 million (and using the approximate value of aggregate consideration of $340 million), then:

(1) the exchange ratio would be reduced as follows: 0.1030 x (1 - $30 million/$340 million) or 0.0939; and

(2) each share of Aames common stock would be converted into one of the following:
cash in an amount equal to $4.88 ($51.94 x 0.0939), or

0.0939 of a share of Accredited common stock (which had a value of $4.26 based on the closing price for Accredited common stock on July 31, 2006).

Q: *Can Aames stockholders elect whether to receive cash or stock consideration for their Aames shares?*

A: Yes, we have enclosed with this joint proxy statement and prospectus election materials which will allow you to elect, with respect to each share of Aames common stock you own, cash or stock consideration. However, please note that only a specified number of shares of Accredited common stock and amount of cash is available for issuance in the merger.

Q: *If an Aames stockholder elects to receive all of the merger consideration in cash, will that stockholder be assured of receiving only cash?*

A: No. Accredited will pay no more than approximately $109 million in cash to Aames stockholders in the merger. This amount will be reduced to the extent that Aames pays any dividends to its stockholders prior to the closing of the merger. In the event that Aames stockholders make cash elections in excess of the cash available for distribution, the aggregate number of Aames shares in respect of which a cash election was made will be reduced on a pro-rata basis for each Aames stockholder who made such an election.

Q: *If an Aames stockholder elects to receive all of the merger consideration in Accredited common stock, will that stockholder be assured of receiving only Accredited common stock?*

A: No. Accredited will issue no more than approximately 4,434,000 shares of Accredited common stock to Aames stockholders in the merger. In the event that Aames stockholders make stock elections in excess of the Accredited common stock available for distribution, the aggregate number of Aames shares for which a stock election was made will be reduced on a pro-rata basis for each Aames stockholder who made such an election.

Q: *I heard about the sale by Aames to Accredited of the Aames wholesale business. What was the purpose of that transaction and does that affect what I will receive in the merger?*

A: Accredited s purchase of the Aames wholesale business was intended to reduce attrition of Aames employees and maximize the potential synergies from the combination of Accredited s and Aames s wholesale businesses at the present time that would otherwise occur when the merger is completed. The sale by Aames to Accredited of the Aames wholesale business will have no affect on the consideration you will receive in the merger.

Q: *When do the companies expect to complete the merger?*

A: We hope to complete the merger shortly after the special meetings of the Aames stockholders and the Accredited stockholders and currently expect it to be completed in the fall of 2006. While we are working to complete the merger as quickly as possible, because the merger is subject to stockholder approval and other factors beyond our control, we cannot predict with accuracy when or if the merger will be completed.

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Q: *What are the material United States federal income tax consequences of the merger to Aames stockholders who are U.S. persons?*

A: In general, for United States federal income tax purposes:

(1) Aames stockholders who have exchanged all of their Aames common stock solely for cash in the merger will recognize gain or loss in an amount equal to the difference between the cash received and that stockholder s adjusted tax basis in the shares surrendered,

(2) Aames stockholders who have exchanged all of their Aames common stock solely for Accredited common stock in the merger will not recognize any gain or loss as a result of the exchange (other than for cash received in lieu of a fractional share of Accredited common stock), and

(3) Aames stockholders who receive a combination of cash and Accredited common stock in the merger will not generally recognize any loss but will generally recognize gain, if any, on the shares so exchanged to the extent of any cash received. **Aames stockholders should consult their tax advisors for a full understanding of the tax consequences to them of the merger.** For further information regarding the U.S. federal income tax consequences of the merger, please see The Merger Material United States Federal Income Tax Consequences of the Merger.

Q: *Do the Aames stockholders or Accredited stockholders have appraisal rights with respect to the merger?*

A: Neither the Aames stockholders nor Accredited stockholders have appraisal rights in connection with the merger.

Q: *What vote is required of the Accredited stockholders to complete the merger?*

A: For the merger to occur, the issuance of shares of Accredited common stock in the merger must be approved by the holders of at least a majority of the issued and outstanding shares of Accredited common stock voted at the Accredited special meeting.

Q: *What vote is required of the Aames stockholders to complete the merger?*

A: For the merger to occur, the merger must be approved by the holders of at least a majority of the issued and outstanding shares of Aames common stock entitled to vote at the Aames special meeting.

Q: *Why is Accredited amending its Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock?*

A: Accredited has determined it to be prudent to increase its authorized capital stock to make available additional authorized shares of common stock in the event the Accredited board of directors determines that it is necessary or appropriate to authorize future stock dividends, to raise additional capital through the sale of equity securities, to acquire another company or its assets, to establish strategic relationships with corporate partners, to provide equity incentives to employees and officers or for other corporate purposes. The availability of additional shares of common stock is particularly important in the event that the Accredited board of directors needs to undertake any of the foregoing actions on an expedited basis and thus avoid the time and expense of seeking stockholder approval at the time in connection with the contemplated issuance of common stock.

Q: *What vote is required of the Accredited stockholders to approve the amendment of Accredited s Amended and Restated Certificate of Incorporation?*

A: The amendment of Accredited s Amended and Restated Certificate of Incorporation requires approval of holders of at least a majority of all shares of Accredited common stock that are outstanding and entitled to vote at the Accredited special meeting.

Q: *When and where are the special meetings?*

A: *The Accredited Special Meeting*

The special meeting of Accredited stockholders will be held on September 14, 2006, at 4:00 p.m., local time, at 15090 Avenue of Science, San Diego, California 92128.

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The Aames Special Meeting

The special meeting of Aames stockholders will be held on September 14, 2006 at 9:00 a.m., local time, at the Omni Hotel, 251 South Olive Street Los Angeles, California 90012.

Q: *Who can vote at the special meetings?*

A: *The Accredited Special Meeting*

Only holders of record of Accredited common stock as of the close of business on July 27, 2006 will be entitled to notice of and to vote at the Accredited special meeting.

The Aames Special Meeting

Only holders of record of Aames common stock as of the close of business on August 1, 2006 will be entitled to notice of and to vote at the Aames special meeting.

Q: *If my shares are held in street name by my broker, will my broker vote my shares for me?*

A: Your broker will vote your shares only if you provide instructions to your broker on how those shares should be voted. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Without instructions, your shares will not be voted, which we refer to as a broker non-vote. In the case of Aames stockholders, since approval of a majority of the outstanding shares entitled to vote is required for the merger, a broker non-vote has the same effect for Aames common stockholders as a vote against the Aames merger proposal. In the case of Accredited stockholders a broker non-vote will have no effect on approval of the issuance of Accredited common stock in connection with the merger. However, since the affirmative vote of at least a majority of the shares entitled to vote at the Accredited special meeting is required to approve the proposal to amend Accredited s Amended and Restated Certificate of Incorporation, a broker non-vote has the same effect for Accredited stockholders as a vote against that proposal.

Q: *What is the effect if I return my proxy marked ABSTAIN ?*

A: A properly executed proxy marked ABSTAIN will not be voted. In the case of Accredited stockholders, abstentions will not be counted as either votes cast FOR or AGAINST the proposal to issue shares of Accredited common stock in the merger and, as approval of that proposal requires the approval of a majority of the votes cast, will have no effect on the result of the vote. However, since the affirmative vote of at least a majority of the shares entitled to vote at the Accredited special meeting is required to approve the proposal to amend Accredited s Amended and Restated Certificate of Incorporation, a proxy marked ABSTAIN will have the effect of a vote against that proposal. In the case of Aames stockholders, since the affirmative vote of at least a majority of the shares outstanding and entitled to vote at the Aames special meeting is required to approve the merger, a proxy marked ABSTAIN will have the effect of a vote against that proposal.

Q: *May I change my vote after I have mailed my signed proxy card?*

A: Yes. Aames stockholders should send a written revocation or a later dated, signed proxy card to Corporate Secretary, Aames Investment Corporation, 350 South Grand Avenue, 43rd Floor, Los Angeles, California 90071 before the Aames special meeting to change their vote. Accredited stockholders should send a revocation or later dated, signed proxy card to Corporate Secretary, Accredited Home Lenders Holding Co., 15090 Avenue of Science, San Diego, California 92128 before the Accredited special meeting to change their vote. You may also attend the special meeting held by your company and vote in person.

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Q. *How do Aames stockholders specify if they want cash or shares of Accredited common stock?*

A: Aames stockholders have been sent, together with this joint proxy statement and prospectus, an election form/letter of transmittal, or the election form, with instructions for making an election to receive cash or shares of Accredited common stock in exchange for all or a portion of his or her shares of Aames common stock, subject to pro-ration. To be effective, an election form must be properly completed and signed by Aames stockholders and received by the exchange agent no later than 5:00 p.m., Eastern Daylight Time, on the date that is two business days immediately preceding the closing date of the merger. We currently anticipate that the closing will occur on October 2, 2006. Accredited and Aames will announce any change in the anticipated closing date (and the due date for elections). If Accredited and Aames do not announce a change in the date, the closing date will be October 2, 2006. You are also asked to return your Aames stock certificate(s) representing your shares of Aames common stock with your stock election form. Failure to do so will not affect the effectiveness of your stock election, but it is likely to result in your receipt of the merger consideration (whether Accredited stock or cash) later (assuming the merger proposals are approved and the merger is consummated) than if you were to send in your stock certificates with your stock election form.

If the exchange agent does not receive from an Aames stockholder a properly completed and signed election form with respect to shares of Aames common stock by 5:00 p.m., Eastern Daylight Time, on the date that is two business days immediately preceding the closing date of the merger, Accredited will determine, in its sole discretion, which of those shares have made cash elections or stock elections in a manner intended to honor to the fullest extent possible the elections of Aames stockholders who timely made such an election.

Q: *Can Aames stockholders change or revoke their election?*

A: Yes. Aames stockholders can revoke their election by giving written notice of revocation or, in the case of a change, a properly completed revised election form to the exchange agent, provided the written notice is received by the exchange agent no later than 5:00 p.m., Eastern Daylight Time, on the date that is two business days immediately preceding the closing date of the merger. After this time, Aames stockholders may not revoke their elections unless the exchange agent is legally required to permit revocations.

Q: *Should Aames stockholders send in their Aames stock certificates now?*

A: Yes. Holders of Aames common stock should send in their election form and Aames stock certificate(s) as directed in the election form. However, failure to send your Aames stock certificate will not affect the effectiveness of your election.

Accredited stockholders should retain their stock certificates, as they will not be exchanged in the merger.

Q: *What do I need to do now?*

A: **Please vote your shares as soon as possible, so that your shares may be represented at the appropriate special meeting.** You may vote by proxy by signing your proxy card and mailing it in the enclosed return envelope, or you may vote in person at the special meeting. Aames stockholders should also complete their election form as soon as possible and return it in the enclosed envelope together with their Aames shares.

Q: *Whom should I call if I have questions?*

A: ***Accredited Stockholders***

Stockholders of Accredited who have questions about the proposals described in this joint proxy statement and prospectus may call Accredited at 866-901-6605.

Aames Stockholders

Stockholders of Aames who have questions about the proposals described in this joint proxy statement and prospectus may call Aames Investor Relations at 800-829-2929 ext 4709.

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SUMMARY

This section summarizes particular selected information about the merger from this joint proxy statement and prospectus. To understand the merger fully, we strongly encourage you to read carefully this entire joint proxy statement and prospectus and the documents which we have filed with the Securities and Exchange Commission. We have included a copy of the merger agreement in this joint proxy statement and prospectus as Annex A.

We incorporate by reference important business and financial information about Accredited and Aames into this document. For a description of this information and how to obtain the documents that we have filed with the Securities and Exchange Commission, see Where You Can Find More Information on page 109.

In addition to the other information included or incorporated by reference in this joint proxy statement and prospectus (including the matters addressed in Cautionary Statement Concerning Forward-Looking Statements) you should consider the following in determining whether to vote in favor of the applicable proposal related to the merger.

The Companies

(See Page 45)

Accredited Home Lenders Holding Co.

15090 Avenue of Science

San Diego, California 92128

(858) 676-2100

Accredited Home Lenders Holding Co. is a mortgage company operating throughout the United States and in Canada. Accredited originates, finances, securitizes, services, and sells non-prime mortgage loans secured by residential real estate. Founded in 1990, Accredited is headquartered in San Diego, California. Accredited focuses on borrowers who may not meet conforming underwriting guidelines because of higher loan-to-value ratios, the nature or absence of income documentation, limited credit histories, high levels of consumer debt, or past credit difficulties. Accredited originates loans primarily based upon the borrower s willingness and ability to repay the loan and the adequacy of the collateral. Its experienced management team has developed incentive programs, technology tools and business processes intended to focus Accredited s employees on originating non-prime mortgage loans with the financial and other characteristics that generate profits.

In June 2006, Accredited entered into an agreement to purchase the wholesale business of Aames for a cash price of $4,050,000, including estimated expenses of $50,000. The purchase price has been allocated to leasehold assets of $89,000 and goodwill of $3,961,000. This purchase was intended to reduce attrition of Aames employees and maximize the potential synergies from the combination of Accredited s and Aames s wholesale businesses that would otherwise occur in connection with the merger at the present time rather than wait for the completion of the merger. The addition of Aames s wholesale group to Accredited s wholesale operations is expected to add capabilities and additional market presence with little overlap.

For additional information about Accredited and its business, see The Merger The Companies Accredited Home Lenders Holding Co. and Where You Can Find More Information.

Aames Investment Corporation

350 South Grand Avenue

Los Angeles, California 90071

(323) 210-5000

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Aames Investment Corporation was formed in February 2004 to build and manage a portfolio of high yielding, subprime residential mortgage loans to offer its stockholders the opportunity for attractive dividend yields and earnings growth. In November 2004, it completed an initial public offering, and, concurrently with that offering, a reorganization whereby Aames Financial Corporation, formerly Aames Investment Corporation s parent company, became its wholly owned subsidiary.

Aames Financial is a national mortgage banking company, founded in 1954, which focuses primarily on originating, selling and servicing residential mortgage loans through its retail channel under the name Aames Home Loan. From 1996 through July 2006, Aames Financial also originated mortgage loans through its wholesale channel. Aames Investment sold its wholesale operations to Accredited in June and July 2006. Aames s strategy is to use its equity capital and funds borrowed under revolving warehouse and repurchase facilities to finance mortgage loan originations, and to use those financing sources, together with on-balance sheet securitizations, to finance its real estate investment trust, or REIT, portfolio of mortgage loans. Aames retains in its REIT portfolio a portion of its mortgage loan originations, largely hybrid/adjustable rate mortgage loans. Aames sells the remainder, including a majority of the fixed-rate mortgage loans that it originates, on a whole loan servicing-released basis to third parties.

For additional information about Aames and its business, see The Merger The Companies Aames Investment Corporation and Where You Can Find More Information.

AHL Acquisition, LLC

15090 Avenue of Science

San Diego, California 92128

(858) 676-2100

AHL Acquisition, LLC, or Merger Sub, is a Maryland limited liability company, recently organized as a wholly-owned subsidiary of Accredited solely for the purpose of effecting the merger. It has no material assets, prior business or operations and has not engaged in any activities except in connection with the merger. Upon completion of the merger, Aames will merge with and into Merger Sub and Merger Sub will be the surviving company.

Vote Required to Approve the Proposals

(See Pages 41, 42 and 43)

Accredited Stockholders

Accredited stockholders will vote on:

- A proposal to approve the issuance of shares of Accredited common stock pursuant to the merger agreement. Approval of this proposal requires the affirmative vote of the holders of at least a majority of all shares of Accredited common stock that are voted at the Accredited special meeting.

- A proposal to approve and adopt an amendment to Accredited s Amended and Restated Certificate of Incorporation to increase the number of shares of capital stock Accredited is authorized to issue to 80,000,000 consisting of 5,000,000 shares of preferred stock and 75,000,000 shares of common stock. Approval of this proposal requires the affirmative vote of the holders of at least a majority of all shares of Accredited common stock that are outstanding and entitled to vote at the Accredited special meeting.

Completion of the merger is not conditioned on approval of the proposal to amend the Amended and Restated Certificate of Incorporation.

Accredited directors and executive officers as a group own and are entitled to vote approximately 15% of the outstanding shares of Accredited common stock. Each of the directors and executive officers of Accredited has indicated that he or she intends to vote his or her shares in favor of the proposals outlined above. Additionally, James A. Konrath, Accredited s Chairman of the Board and Chief Executive Officer, and Joseph J. Lydon, Accredited s President and Chief Operating Officer, have entered into an agreement with Aames pursuant to which they agreed to vote their shares of Accredited common stock in support of the issuance of shares of Accredited common stock in connection with the merger at the Accredited special meeting. The shares of Accredited common stock subject to these agreements represent approximately 12% of the outstanding shares of Accredited common stock entitled to vote at the Accredited special meeting.

Aames Stockholders

Aames stockholders will vote on a proposal to approve the merger. Approval of this proposal requires the affirmative vote of the holders of at least a majority of all shares of Aames common stock that are outstanding and entitled to vote at the Aames special meeting.

The members of the Aames board of directors (i.e., A. Jay Meyerson, Jenne K. Britell, Ph.D., David H. Elliott, John F. Farrell, Jr., Mani A. Sadeghi, Robert A. Spass and Stephen E. Wall), certain members of Aames s management to be employed by Accredited following the merger (i.e., H. James Fullen and Michael J. Matthews) and Aames s largest stockholder, Specialty Finance Partners, have each entered into a voting and support agreement with Accredited pursuant to which each agreed to vote its shares of Aames common stock in support of the merger proposal at the Aames special meeting, as well as against any third-party acquisition proposal or other proposal that would impede or adversely effect the merger. The shares of Aames common stock subject to these agreements represent approximately 27% of the outstanding shares of Aames common stock entitled to vote at the Aames special meeting. A form of the voting and support agreement is included as Annex B to this joint proxy statement and prospectus. In addition, each other executive officer of Aames (who are entitled to vote an aggregate of less than 1% of the outstanding shares of Aames common stock) has indicated that he intends to vote his shares in favor of the merger proposal outlined above.

The same Aames stockholders who have entered in the voting and support agreements have also each entered into an agreement with Accredited pursuant to which each has agreed to elect to receive 100% of the merger consideration to which they are entitled in shares of Accredited common stock and to not sell, transfer or otherwise dispose of their Accredited common stock for a period of 180 days following the merger.

The Merger

(See Page 45)

The merger agreement provides for Aames to be merged with and into Merger Sub, with Merger Sub remaining as the surviving company and a wholly owned subsidiary of Accredited. After the merger, Aames will cease to exist and its stock will no longer be publicly traded.

As a result of the merger, each share of Aames common stock issued and outstanding immediately prior to the merger will be converted into the right to receive *one* of the following:

(1) cash in an amount equal to $51.94 multiplied by the exchange ratio (described below), which we refer to as the cash consideration, *or*

(2) a fraction of a share of Accredited common stock equal to the exchange ratio, which we refer to as the stock consideration.

The exchange ratio was initially set at 0.1030. That means that on the day that we executed the merger agreement (and subject to the limitations described below) each share of Aames common stock would have been converted into $5.35 in cash ***or*** a fraction of a share of Accredited common stock that had a value of $5.35 (based

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on the closing price of Accredited common stock on the day that we executed the merger agreement). However, the value of the stock consideration will fluctuate with changes in the value of Accredited common stock. See Risk Factors Value of Accredited common stock to be received in the merger will fluctuate; all holders may not receive the same value.

In addition, the exchange ratio will be reduced by any dividends declared or paid by Aames prior to the closing. We will reduce the exchange ratio by multiplying it by 1 minus a fraction, the numerator of which is the amount of any dividends Aames declares or pays prior to closing and the denominator of which is the aggregate consideration to be paid by Accredited for Aames. The aggregate consideration is the product of (1) $5.35 and (2) the aggregate number of shares of Aames common stock outstanding or issuable in respect of Aames restricted stock awards or restricted stock units immediately prior to the consummation of the merger. At the date of the merger agreement, the value of the aggregate consideration was approximately $340 million.

Subject to the proration and allocation provisions described below, Aames stockholders will be entitled to elect the form of consideration that they are to receive with respect to each of their shares of Aames common stock. To understand how the proration and allocation provisions work, you need to be familiar with two concepts: the cash pool and the cash election number.

The portion of the aggregate consideration (defined above) that will be payable in cash, which we refer to as the cash pool, is equal to approximately $109 million. At the date of the merger agreement, the cash pool represented approximately 32% percent of the aggregate consideration. However, the cash pool will be reduced by the aggregate amount of dividends declared or paid by Aames prior to the closing of the merger. The maximum number of shares of Aames common stock convertible into the right to receive cash in the merger, or the cash election number, will be determined by dividing the cash pool by the cash consideration (defined above).

Under the merger agreement, Aames is required to pay prior to closing a dividend in an amount equal to Aames s estimated 2006 REIT taxable income plus any other amounts that Aames would need to distribute to qualify as a REIT for its final taxable year and to avoid to the extent reasonably possible the incurrence of income or excise tax. Aames currently estimates that, if the closing were to occur on September 30, 2006, it would pay a dividend of approximately $30 million in the aggregate (or $0.48 per share) pursuant to this provision, although Aames cannot provide any assurance as to the amount of any such dividend.

Example: By way of example only, if Aames were to declare dividends prior to closing in the aggregate amount of $30 million (and using the approximate value of aggregate consideration of $340 million), then:

the exchange ratio would be reduced as follows:

0.1030 x (1 - $30 million/$340 million) or 0.0939

each share of Aames common stock would be converted into one of the following:

cash in an amount equal to $4.88 ($51.94 x 0.0939), *or*

0.0939 of a share of Accredited common stock (which had a value of $4.26 based on the closing price of Accredited common stock on July 31, 2006)

and the cash pool will have been reduced to approximately $79 million, with the remaining consideration payable in shares of Accredited common stock.

An election to receive all cash is called a cash election and an election to receive all stock is called a stock election. Shares held by Aames stockholders who do not make an election will be deemed to have made a non-election and Accredited will determine, in its sole discretion, which of those shares have made cash elections or stock elections in a manner intended to honor to the fullest extent possible the elections of stockholders who choose to make such elections.

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If Aames stockholders make cash elections in excess of the cash available for distribution, the aggregate excess number of Aames shares in respect of which a cash election was made will be converted into shares in respect to which a stock election was made on a pro-rata basis for each Aames stockholder who made the cash election.

If Aames stockholders make stock elections in excess of the stock available for distribution, the aggregate excess number of Aames shares in respect of which a stock election was made will be converted into shares in respect of which a cash election was made on a pro-rata basis for each Aames stockholder who made the stock election.

We encourage you to read the merger agreement carefully because it is the legal document that governs the merger.

Our Recommendations to Stockholders

(See Page 49)

To Accredited Stockholders:

The Accredited board of directors unanimously approved the merger agreement and believes that the merger is in the best interest of Accredited and its stockholders and recommends that Accredited stockholders vote FOR the Accredited proposal to issue shares of Accredited common stock in connection with the merger. The Accredited board of directors also recommends that Accredited stockholders vote FOR the proposal to amend Accredited s Amended and Restated Certificate of Incorporation to increase the number of shares of capital stock Accredited is authorized to issue.

To Aames Stockholders:

The Aames board of directors unanimously approved and adopted the merger agreement and believes that the merger is in the best interest of Aames and its stockholders and recommends that Aames stockholders vote FOR the Aames merger proposal.

Opinions of Financial Advisors

(See Pages 52 and 57)

In connection with the merger, the boards of directors of Accredited and Aames each received an opinion from its respective financial advisors. These opinions are addressed to the boards of directors and do not constitute recommendations to any stockholder as to the form of consideration to be elected in the merger or any other matters relating to the merger.

Accredited received a written opinion dated May 24, 2006 from its financial advisor J.P. Morgan Securities Inc., or JPMorgan, to the effect that, as of May 24, 2006 and based upon and subject to the matters set forth in the opinion, the merger consideration to be paid by Accredited in the merger was fair to Accredited from a financial point of view to Accredited. JPMorgan s opinion does not constitute a recommendation to any stockholder as to the form of consideration to be elected in the merger, how such stockholder should vote or act with respect to any matters relating to the merger and does not address any other aspect of the merger or related transactions, the price at which Accredited common stock will trade at any time in the future or the decision of Accredited to engage in the merger. JPMorgan assumed no responsibility for updating or revising its opinion based on circumstances or events occurring after the date thereof. We have included this opinion in this joint proxy statement and prospectus as Annex C. **Accredited urges its stockholders to read the opinion of JPMorgan**

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Securities Inc. in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken.

Board Membership Qualifications: Mr. Maffei brings to our Board significant financial and operational experience based on his senior policy-making positions at Liberty, LMC, LBC, LTRIP, Oracle, 360networks and Microsoft and his other public company board experience. He provides our board with an executive and leadership perspective on the operation and management of large public companies and risk management principles.

Stephen Kaufer co-founded TripAdvisor in February 2000 and has been the President and Chief Executive Officer of TripAdvisor since that date. Mr. Kaufer has been a director of TripAdvisor since the completion of the spin-off from Expedia (the “Spin-Off”) in 2011. Prior to co-founding TripAdvisor, Mr. Kaufer served as President of CDS, Inc., an independent software vendor specializing in programming and testing tools, and co-founded CenterLine Software and served as its Vice President of Engineering. Mr. Kaufer serves on the boards of several privately-held companies, including CarGurus, LLC, LiveData, Inc., and GlassDoor, Inc., as well as the charity Caring for Carcinoid Foundation. Mr. Kaufer holds an A.B. in Computer Science from Harvard University.

Board Membership Qualifications: As co-founder of TripAdvisor and through his service as its Chief Executive Officer, Mr. Kaufer has extensive knowledge of TripAdvisor’s business and operations, and significant experience in the online advertising sector of the global travel industry. Mr. Kaufer also possesses strategic and governance skills gained through his executive and director roles with several privately-held companies.

Jonathan F. Miller has been a director of TripAdvisor since the completion of the Spin-Off in 2011. He previously served as Chairman and Chief Executive of News Corporation’s digital media group and News Corporation’s Chief Digital Officer from April 2009 until October 2012. Mr. Miller was a founding partner of Velocity Interactive Group (“Velocity”), an investment firm focusing on digital media and the consumer Internet, from its inception in February 2007 until April 2009. Prior to founding Velocity, Mr. Miller served as Chief Executive Officer of AOL LLC (“AOL”) from August 2002 to December 2006. Prior to joining AOL, Mr. Miller served as Chief Executive Officer and President of USA Information and Services, of USA Interactive, a predecessor to IAC/InterActiveCorp (“IAC”). Mr. Miller previously served as a director of Live Nation Entertainment, Inc. and Ticketmaster

Entertainment, Inc. prior to its merger with LiveNation. Mr. Miller is currently a member of the Board of Directors of Shutterstock, Inc.; AMC Networks, Inc.; The Interpublic Group of Companies, Inc.; Houghton Mifflin Harcourt Company and RTL Group, S.A. Mr. Miller also serves on the Board of Trustees of the American Film Institute and The Paley Center for Media. Mr. Miller holds a B.A. from Harvard College.

Board Membership Qualifications: Through his various senior leadership positions at other private and public companies and business divisions thereof, Mr. Miller possesses extensive executive, strategic, operational, and corporate governance experience. Mr. Miller also has expertise in the digital media and online advertising sectors. Further, Mr. Miller has experience as a director serving on other public company boards.

Dipchand (Deep) Nishar has been a director of TripAdvisor since September 2013. Mr. Nishar has served on the Board of Directors of OPower, Inc. since August 2013. From January 2011 to October 2014, Mr. Nishar served as Senior Vice President, Products and User Experience, for LinkedIn Corporation and, from January 2009 until January 2011, served as its Vice President, Products. Prior to LinkedIn, Mr. Nishar served in several roles, including most recently as the Senior Director of Products for the Asia-Pacific region at Google Inc., an Internet search company, from August 2003 to January 2009. He was also the Founder and Vice President of Products at Patkai Networks, a service oriented architecture software company. Mr. Nishar holds an M.B.A. with highest honors (Baker Scholar) from Harvard Business School, an M.SEE from University of Illinois, Urbana-Champaign, and a B.Tech with honors from the Indian Institute of Technology.

Board Membership Qualifications: Through his roles with LinkedIn and Patkai Networks, Mr. Nishar has significant operational experience in those areas which are directly applicable to TripAdvisor's business and areas of focus. Mr. Nishar has an extensive background in the Internet industry and, in particular, the digital media and online advertising sectors.

Jeremy Philips has been a director of TripAdvisor since the completion of the Spin-Off in 2011. He has been a general partner of Spark Capital since May 2014. He is also a director of several private Internet companies. Mr. Philips served as the Chief Executive Officer of Photon Group Limited, a holding company listed on the Australian Securities Exchange, from June 2010 to January 2012. Mr. Philips had previously served as an Executive Vice President in the Office of the Chairman of News Corporation from January 2006 to March 2010, and as Senior Vice President of News Corporation from July 2004 to January 2006. Prior to joining News Corporation, he served in several roles, including as co-founder and Vice-Chairman of a publicly traded Internet holding company, and as an analyst at McKinsey & Company. Mr. Philips also served as a director of REA Group Ltd. from March 2009 to June 2010. He is an adjunct professor at Columbia Business School and holds a BA and LLB from the University of New South Wales and an MPA from the Harvard Kennedy School of Government.

Board Membership Qualifications: Mr. Philips has significant strategic and operational experience, acquired through his service as Chief Executive Officer of Photon Group Limited and other executive-level positions at other companies. He also possesses a high level of financial literacy and expertise regarding mergers, acquisitions, investments and other strategic transactions.

Spencer M. Rascoff has been a director of TripAdvisor since September 2013. Mr. Rascoff has served as the Chief Executive Officer of Zillow, Inc. since September 2010 and has served as a member of its Board of Directors since July 2011. Mr. Rascoff joined Zillow as one of its founding employees in 2005 as Vice President of Marketing and Chief Financial Officer and served as Chief Operating Officer from December 2008 until he was promoted to Chief Executive Officer. From 2003 to 2005, Mr. Rascoff served as Vice President of Lodging for Expedia. In 1999, Mr. Rascoff co-founded Hotwire, Inc., an online travel company, and managed several of Hotwire's product lines before Hotwire was acquired in 2003 by IAC, Expedia's parent company at the time. Mr. Rascoff previously served in the mergers and acquisitions group at Goldman, Sachs & Co., an investment banking and securities firm, and at TPG

Capital, a private equity firm. Mr. Rascoff serves on the Board of Directors of Zulily, a privately held consumer products company, and Julep Beauty Incorporated, a privately-held beauty products company. Mr. Rascoff graduated cum laude with a B.A. in Government from Harvard University, and he serves on the Seattle Children's Hospital Research Institute Advisory Board.

Board Membership Qualifications: Mr. Rascoff has significant operational and financial experience, acquired through his current service as Chief Executive Officer and prior service as Chief Financial Officer of Zillow. Mr. Rascoff also possesses a high level of financial literacy and expertise regarding mergers, acquisitions, investments and other strategic transactions as well as an extensive background in the Internet industry and global travel industry.

Christopher W. Shean has been a director of TripAdvisor since February 2013. Mr. Shean has been a Senior Vice President of LMC (including its predecessor) since May 2007, the Chief Financial Officer since November 2011 and the Controller from May 2007 to October 2011. Mr. Shean has also served as a Senior Vice President of Liberty since January 2002 and the Chief Financial Officer since November 2011. Previously, Mr. Shean served as the Controller of Liberty from October 2000 to October 2011 and a Vice President from October 2000 to January 2002. Mr. Shean has also served as Senior Vice President and Chief Financial Officer

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of LTRIP since July 2013 and LBC since June 2014. Mr. Shean serves as a director of FTD Companies, Inc. He is a graduate of Virginia Polytechnic Institute and State University.

Board Membership Qualifications: Mr. Shean has significant financial and operational experience gained through his service as Chief Financial Officer and other executive-level positions at Liberty and LMC and as a partner of KPMG. As a result of his extensive business and financial experience, Mr. Shean is able to provide valuable business, financial and risk management advice. He also possesses a high level of financial literacy and expertise regarding mergers, acquisitions, investments and other strategic transactions.

Sukhinder Singh Cassidy has been a director of TripAdvisor since the completion of the Spin-Off in 2011. In January 2011, Ms. Singh Cassidy founded, and currently serves as Chief Executive Officer and Chairman of Joyus, a video commerce website. Ms. Singh Cassidy previously served as Chief Executive Officer and Chairman of the Board of Polyvore, Inc., a privately-held social commerce website, from March 2010 to September 2010. Prior to that, she was CEO-in-residence at Accel Partners, a global venture and growth equity firm, from April 2009 to March 2010. From October 2003 to April 2009, Ms. Singh Cassidy held various positions at Google Inc., including, most recently, Global Vice President of Sales and Operations for Asia Pacific and Latin America in which she was responsible for Google's international growth. Previously, Ms. Singh Cassidy worked with Yodlee.com, Amazon.com and News Corporation, and in investment banking with Merrill Lynch & Co., Inc. Ms. Singh Cassidy currently serves on the board of Ericsson (NASDAQ: ERIC) and has previously served on the board of J. Crew Group, Inc. and J. Hilburn, Inc. She has also served on the Princeton Computer Science Advisory Council as well as the Advisory Board of A Women's Nation in partnership with Maria Shriver and the Center for American Progress. Ms. Singh Cassidy graduated from the University of Western Ontario and earned her H.B.A. from the Richard Ivey School of Business.

Board Membership Qualifications: Through her experience as a consumer Internet and media executive, Ms. Singh Cassidy has in-depth knowledge of the online media and advertising sectors. Ms. Singh Cassidy also possesses extensive executive, strategic and operational experience.

Robert S. Wiesenthal has been a director of TripAdvisor since the completion of the Spin-Off in 2011. Since January 2013, Mr. Wiesenthal served as Chief Operating Officer of Warner Music Group Corp., a leading global music conglomerate. From 2000 to 2012, Mr. Wiesenthal served in various senior executive capacities within the Sony Corporation. From January 2002 through June 2012, Mr. Wiesenthal served as Executive Vice President and Chief Financial Officer of Sony Corporation of America and, since July 2005, as Executive Vice President and Chief Strategy Officer, Sony Entertainment. Prior to joining Sony, Mr. Wiesenthal was Managing Director at Credit Suisse First Boston and head of the firm's Entertainment and Digital Media practices from 1999 to 2000, a member of its Media Group from 1993 to 1999 and a member of its Mergers and Acquisitions Group from 1988 to 1993. Mr. Wiesenthal presently serves on the Board of Directors of Starz. Mr. Wiesenthal has a B.A. from the University of Rochester.

Board Membership Qualifications: Mr. Wiesenthal possesses extensive strategic, operational and financial experience, gained through his wide range of service in executive-level positions with a strong focus on networked consumer electronics, entertainment, and digital media. He also has a high degree of financial literacy and expertise regarding mergers, acquisitions, investments and other strategic transactions.

Julie M.B. Bradley has served as Senior Vice President, Chief Financial Officer, Chief Accounting Officer and Treasurer of TripAdvisor since October 2011. Prior to joining TripAdvisor, from July 2005 to April 2011, Ms. Bradley served as Senior Vice President, Chief Financial Officer, Treasurer and Secretary of Art Technology Group, Inc., a provider of e-commerce software solutions and services, which was acquired by Oracle Corporation in January 2011. Prior to joining Art Technology Group, Ms. Bradley was at Akamai Technologies, Inc. from April 2000 to June 2005, most recently serving as Vice President of Finance. Previously, Ms. Bradley was an accountant with Deloitte LLP. Ms. Bradley is currently a member of the Board of Directors of Wayfair.com and a member of the Board of Trustees of The Judge Baker's Children's Center. Ms. Bradley previously served on the Board of Directors of Exact Target. Ms. Bradley received her B.A. in Economics from Wheaton College and is a certified public accountant.

On April 2, 2015, Ms. Bradley informed TripAdvisor of her intention to resign from the Company. In order to provide for the transition of Ms. Bradley's responsibilities, the Company and Ms. Bradley have entered into a Separation Agreement, dated April 2, 2015 pursuant to which Ms. Bradley has agreed to remain with the Company on a full-time basis for a transition period, which will last until the earlier of September 30, 2015 or thirty days following her successor's start date.

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Seth J. Kalvert has served as Senior Vice President, General Counsel and Secretary of TripAdvisor since August 2011. Prior to joining TripAdvisor, Mr. Kalvert held positions at Expedia, which he joined in March 2005, most recently as Vice President and Associate General Counsel beginning in February 2006. Prior to that, from July 2001 to March 2005, Mr. Kalvert held a variety of internal legal positions at IAC and its subsidiaries. Previously, Mr. Kalvert held a business development position at Bolt Media Inc., a privately-held online social networking and e-commerce company, and was an associate at Debevoise & Plimpton, LLP, a New York law firm. Mr. Kalvert holds an A.B. degree from Brown University and a J.D. degree from Columbia Law School.

Dermot M. Halpin has served as President of the Vacation Rentals division at TripAdvisor since December 2011. Mr. Halpin served as a Board member, commencing June 2009 and CEO commencing November 2009 of Autoquake, a venture-backed consumer Internet business, until his resignation in March 2011. Prior to Autoquake, from October 2001 to December 2008, Mr. Halpin worked at Expedia, Inc., most recently serving as President of Expedia EMEA (Europe, Middle East and Africa). Before joining Expedia, Dermot worked at several technology-driven businesses. Mr. Halpin holds an MBA from INSEAD and studied engineering at University College Dublin, Ireland.

Barrie Seidenberg has served as the Chief Executive Officer of the Attractions division at TripAdvisor since TripAdvisor acquired Viator, Inc., ("Viator"), in August 2014. Ms. Seidenberg joined Viator as President in 2005 and took on the additional role of CEO in 2008. Before joining Viator, Ms. Seidenberg was Chief Marketing Officer at Preview Travel, one of the early leaders in online travel. She has previously held senior-level positions with Atinera, Williams-Sonoma and American Express. Ms. Seidenberg received a B.A. from Yale University and an M.B.A. from the Stanford Graduate School of Business.

Board of Directors

Director Independence

Under the NASDAQ Stock Market Listing Rules (the "NASDAQ Rules"), the Board has a responsibility to make an affirmative determination that those members of the Board who serve as independent directors do not have any relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In connection with the independence determinations described below, the Board reviewed information regarding transactions, relationships and arrangements relevant to independence, including those required by the NASDAQ Rules. This information is obtained from director responses to questionnaires circulated by management, as well as our records and publicly available information. Following this determination, management monitors those transactions, relationships and arrangements that were relevant to such determination, as well as solicits updated information potentially relevant to independence from internal personnel and directors, to determine whether there have been any developments that could potentially have an adverse impact on the Board's prior independence determination.

The Board of Directors has determined that each of Ms. Singh Cassidy and Messrs. Miller, Nishar, Philips, Rascoff and Wiesenthal is an "independent director" as defined by the NASDAQ Rules. In making its independence determinations, the Board of Directors considered the applicable legal standards and any relevant transactions, relationships or arrangements. In addition to the satisfaction of the director independence requirements set forth in the NASDAQ Rules, members of the Audit Committee and Compensation Committee have also satisfied separate independence requirements under the current standards imposed by the SEC and the NASDAQ Rules for audit committee members and by the SEC, NASDAQ Rules and the Internal Revenue Service for compensation committee members.

Controlled Company Status

On August 27, 2014, the entire beneficial ownership of our common stock and Class B common stock held by Liberty was transferred to LTRIP. Simultaneously, Liberty, LTRIP's former parent company, distributed, by means of a dividend, to the holders of its Liberty Ventures common stock, Liberty's entire equity interest in LTRIP. We refer to this transaction as the Liberty Spin-Off. As a result of the Liberty Spin-Off, effective August 27, 2014, LTRIP became a separate, publicly traded company and 100% of Liberty's interest in TripAdvisor was held by LTRIP.

As of the record date, LTRIP beneficially owned 18,159,752 shares of our common stock and 12,799,999 shares of our Class B common stock, which shares constitute 13.9% of the outstanding shares of common stock and 100% of the outstanding shares of Class B common stock, respectively. Assuming the conversion of all of LTRIP's shares of Class B common stock into common stock, LTRIP would beneficially own 21.6% of the outstanding common stock. Because each share of Class B common stock generally is entitled to ten votes per share and each share of common stock is entitled to one vote per share, LTRIP may be deemed to beneficially own equity securities representing approximately 56.5% of our voting power. LTRIP has filed a Statement of Beneficial Ownership on Schedule 13D with respect to its TripAdvisor holdings and related voting arrangements with the SEC.

The NASDAQ Rules exempt "controlled companies," or companies of which more than 50% of the voting power is held by an individual, a group or another company, such as TripAdvisor, from certain governance requirements under the NASDAQ Rules, including, among other items, the requirement that our Board of Directors be comprised of a majority of independent directors. On this basis, TripAdvisor is relying on the exemption for controlled companies from certain requirements under the NASDAQ Rules, including, among others, the requirement that the Compensation Committee be composed solely of independent directors and certain requirements relating to the nomination of directors. We may, in the future, rely on other exemptions available to a controlled company, including, among others, the requirement that a majority of the Board of Directors be composed of independent directors.

Board Leadership Structure

Mr. Maffei serves as the Chairman of the Board of Directors, and Mr. Kaufer serves as President and Chief Executive Officer of TripAdvisor. The roles of Chief Executive Officer and Chairman of the Board of Directors are currently separated in recognition of the differences between the two roles. This leadership structure provides us with the benefit of Mr. Maffei's oversight of TripAdvisor's strategic goals and vision, coupled with the benefit of a full-time Chief Executive Officer dedicated to focusing on the day-to-day management and continued growth of TripAdvisor and its operating businesses. We believe that it is in the best interests of our stockholders for the Board of Directors to make a determination regarding the separation or combination of these roles each time it elects a new Chairman or Chief Executive Officer based on the relevant facts and circumstances applicable at such time.

Independent members of the Board of Directors chair our Audit Committee, Compensation Committee and Section 16 Committee.

Meeting Attendance

The Board of Directors met eight times in 2014. During such period, each member of the Board of Directors attended at least 75% of the meetings of the Board and the Board committees on which they served. The independent directors meet in regularly scheduled sessions, typically before or after each Board meeting, without the presence of management. We do not have a lead independent director or any other formally appointed leader for these sessions. Directors are encouraged but not required to attend annual meetings of TripAdvisor stockholders. All of the incumbent directors who were directors at the time have historically attended the annual meetings of stockholders.

Committees of the Board of Directors

The Board of Directors has the following standing committees: the Audit Committee, the Compensation Committee, the Section 16 Committee and the Executive Committee. The Audit, Compensation and Section 16 Committees operate under written charters adopted by the Board of Directors. These charters are available in the "Corporate Governance" section of the Investor Relations page of TripAdvisor's corporate website at ir.tripadvisor.com. At each regularly scheduled Board meeting, the Chairperson of each committee provides the full Board of Directors with an update of all significant matters discussed, reviewed, considered and/or approved by the relevant committee since the last regularly scheduled Board meeting. The independent membership of our Audit, Compensation and Section 16 Committees ensures that directors with no ties to Company management are charged with oversight for all financial reporting and executive compensation related decisions made by Company management.

The following table sets forth the current members of each committee of the Board of Directors.

Name	Audit	Compensation	Section 16	Executive

	Committee	Committee	Committee	Committee
Gregory B. Maffei	—	X	—	X
Stephen Kaufer	—	—	—	X
Jonathan F. Miller*	X	—	—	—
Dipchand (Deep) Nishar*	—	—	—	—
Jeremy Philips*	—	X	X	—
Spencer M. Rascoff *	X	—	—	—
Christopher W. Shean	—	—	—	X
Sukhinder Singh Cassidy*	—	Chair	Chair	—
Robert S. Wiesenthal*	Chair	—	—	—

*Independent director

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Audit Committee. The Audit Committee of the Board of Directors currently consists of three directors: Messrs. Miller, Rascoff and Wiesenthal. Mr. Wiesenthal is the Chairman of the Audit Committee. Each Audit Committee member satisfies the independence requirements under the current standards imposed by the rules of the SEC and NASDAQ. The Board has determined that each of Messrs. Wiesenthal and Rascoff is an "audit committee financial expert," as such term is defined in the regulations promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The Audit Committee is appointed by the Board of Directors to assist the Board with a variety of matters discussed in detail in the Audit Committee charter, including monitoring (i) the integrity of our financial reporting process, (ii) the independent registered public accounting firm's qualifications and independence, (iii) the performance of the independent registered public accounting firm and our internal audit department, and (iv) our compliance with legal and regulatory requirements. The Audit Committee met six times in 2014. The formal report of the Audit Committee with respect to the year ended December 31, 2014 is set forth in the section below titled "Audit Committee Report."

Compensation Committee. The Compensation Committee consists of Ms. Singh Cassidy and Messrs. Philips and Maffei. Ms. Singh Cassidy is the Chairperson of the Compensation Committee. Each member of the Compensation Committee is an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").With the exception of Mr. Maffei, each member is an "independent director" as defined by the NASDAQ Rules. No member of the Compensation Committee is an employee of TripAdvisor.

The Compensation Committee is responsible for (i) designing and overseeing our compensation with respect to our executive officers, including salary matters, bonus plans and stock compensation plans and (ii) approving all grants of equity awards, but excluding matters governed by Rule 16b-3 under the Exchange Act (which are handled by the Section 16 Committee described below). A description of our policies and practices for the consideration and determination of executive compensation is included in the section below titled "Compensation Discussion and Analysis." The Compensation Committee met three times in 2014.

Section 16 Committee. The Section 16 Committee consists of Ms. Singh Cassidy and Mr. Philips. Ms. Singh Cassidy is the Chairperson of the Section 16 Committee. Each member is an "independent director" as defined by the NASDAQ Rules and satisfies the definition of "non-employee director" for purposes of Section 16 of the Exchange Act.

The Section 16 Committee is authorized to exercise all powers of the Board of Directors with respect to matters governed by Rule 16b-3 under the Exchange Act, including approving grants of equity awards to TripAdvisor's executive officers. The Section 16 Committee met three times in 2014.

In this Proxy Statement, we refer to the Compensation Committee and Section 16 Committee collectively as the "Compensation Committees."

Executive Committee. The Executive Committee consists of Messrs. Kaufer, Maffei and Shean. The Executive Committee has the powers and authority of the Board of Directors, except for those matters that are specifically reserved to the Board of Directors under Delaware law or our organizational documents. The Executive Committee primarily serves as a means to address issues that may arise and require Board approval between regularly scheduled Board meetings. Following are some examples of matters that could be handled by the Executive Committee: (i) oversight and implementation of matters approved by the Board of Directors, (ii) administrative matters with respect to benefit plans, transfer agent matters, banking authority, formation of subsidiaries and other administrative items involving subsidiaries and determinations or findings under TripAdvisor's financing arrangements and (iii) in the case of a natural disaster or other emergency as a result of which a quorum of the Board of Directors cannot readily be convened for action, directing the management of the business and affairs of TripAdvisor during such emergency or natural disaster. The Executive Committee did not meet in 2014.

Risk Oversight

Assessing and managing risk is the responsibility of TripAdvisor's management. Our Board of Directors oversees and reviews certain aspects of our risk management efforts. Our Board of Directors is involved in risk oversight through direct decision-making authority with respect to significant matters and the oversight of management by the Board of Directors and its committees. The President and Chief Executive Officer, the Senior Vice President, Chief Financial Officer, Chief Accounting Officer and Treasurer and the Senior Vice President, General Counsel and Secretary attend Board meetings and discuss operational risks with the Board. Management also provides reports and presentations on strategic risks to the Board. Among other areas, the Board is involved, directly or through its committees, in overseeing risks related to our overall corporate strategy, business continuity, crisis preparedness and competitive and reputational risks.

The committees of the Board execute their oversight responsibility for risk management as follows:

- The Audit Committee has primary responsibility for discussing with management TripAdvisor's major financial risks and the steps management has taken to monitor and control such risks. In fulfilling its responsibilities, the Audit Committee receives regular reports from, among others, the Chief Financial Officer, General Counsel, the Vice President of Tax and the Corporate Controller as well as from representatives of internal audit, the company's compliance committee and our auditors. The Audit Committee makes regular reports to the Board of Directors. In addition, TripAdvisor has, under the supervision of the Audit Committee, established procedures available to all employees for the anonymous and confidential submission of complaints relating to any matter to encourage employees to report questionable activities directly to our senior management and the Audit Committee.
- The Compensation Committee considers and evaluates risks related to our cash and equity-based compensation programs, policies and practices and evaluates whether our compensation programs encourage participants to take excessive risks that are reasonably likely to have a material adverse effect on TripAdvisor or our business. Consistent with SEC disclosure requirements, the Compensation Committee working with management has assessed the compensation policies and practices for our employees, including our executive officers, and has concluded that such policies and practices do not create risks that are reasonably likely to have a material adverse effect on TripAdvisor.

Ultimately, though, management is responsible for the day-to-day risk management process, including identification of key risks and implementation of policies and procedures to manage, mitigate and monitor risks. In fulfilling these duties, management conducted an enterprise and internal audit risk assessment and will use the results of that assessment in its risk management efforts. In addition, management has formed a Compliance Committee in connection with the implementation, management and oversight of a corporate compliance program to promote operational excellence throughout the entire organization in adherence with all legal and regulatory requirements and with the highest ethical standards

Director Nominations

Given the ownership structure of TripAdvisor and our status as a "controlled company," the Board of Directors does not have a nominating committee or other committee performing similar functions or any formal policy on director nominations. The Board of Directors does not have specific requirements for eligibility to serve as a director of TripAdvisor, nor does it have a specific policy on diversity; however, the Board of Directors does consider, among other things, diversity when considering nominees to serve on our Board of Directors. We broadly construe diversity to mean diversity of opinions, perspectives, and personal and professional experiences and backgrounds, such as gender, race and ethnicity, as well as other differentiating characteristics. In evaluating candidates, regardless of how recommended, the Board of Directors considers whether the professional and personal ethics and values of the candidate are consistent with those of TripAdvisor, whether the candidate's experience and expertise would be beneficial to the Board in rendering service to TripAdvisor, including in providing a mix of Board members that represent a diversity of backgrounds, perspectives and opinions, whether the candidate is willing and able to devote the necessary time and energy to the work of the Board of Directors, and whether the candidate is prepared and qualified to represent the best interests of TripAdvisor's stockholders.

Pursuant to the Governance Agreement, LTRIP has the right to nominate a number of directors equal to 20% of the total number of the directors on the Board of Directors (rounded up to the next whole number if the number of directors on the Board is not an even multiple of five) for election to the Board of Directors so long as certain stock ownership requirements are satisfied. LTRIP has nominated Messrs. Maffei and Shean as nominees for 2015. The other nominees to the Board of Directors were recommended by the Chairman and then were considered and recommended by the entire Board of Directors.

The Board of Directors does not have a formal policy regarding the consideration of director candidates recommended by stockholders, as historically TripAdvisor has not received such recommendations. However, the Board of

Directors would consider such recommendations if made in the future. Stockholders who wish to make such a recommendation should send the recommendation to TripAdvisor, Inc., 141 Needham Street, Newton, Massachusetts 02464, Attention: Secretary. The envelope must contain a clear notation that the enclosed letter is a “Director Nominee Recommendation.” The letter must identify the author as a stockholder, provide a brief summary of the candidate’s qualifications and history and be accompanied by evidence of the sender’s stock ownership, as well as consent by the candidate to serve as a director if elected. Any director candidate recommendations will be reviewed by the Secretary and, if deemed appropriate, forwarded to the Chairman for further review. If the Chairman believes that the candidate fits the profile of a director nominee as described above, the recommendation will be shared with the entire Board of Directors.

Communications with the Board

Stockholders who wish to communicate with the Board of Directors or a particular director may send such communication to TripAdvisor, Inc., 141 Needham Street, Newton, Massachusetts 02464, Attention: Secretary. The mailing envelope must contain a clear notation indicating that the enclosed letter is a "Stockholder-Board Communication" or "Stockholder-Director Communication." All such letters must identify the author as a stockholder, provide evidence of the sender's stock ownership and clearly state whether the intended recipients are all members of the Board of Directors or certain specified directors. The Secretary will then review such correspondence and forward it to the Board of Directors, or to the specified director(s), if deemed appropriate. Communications that are primarily commercial in nature, that are not relevant to stockholders or other interested constituents or that relate to improper or irrelevant topics will generally not be forwarded to the Board of Directors or to the specified director(s).

PROPOSAL 2:

RATIFICATION OF APPOINTMENT OF

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Overview

KPMG LLP ("KPMG") was TripAdvisor's independent registered public accounting firm for the year ended December 31, 2014. The Audit Committee of the Board of Directors has also appointed KPMG as TripAdvisor's independent registered public accounting firm for the year ending December 31, 2015.

In February 2014, the Audit Committee of the Board of Directors determined it to be in the best interest of TripAdvisor to select KPMG to replace Ernst & Young LLP ("E&Y") as TripAdvisor's independent registered public accounting firm for the year ended December 31, 2014.

On February 6, 2014, the Audit Committee determined to dismiss E&Y as TripAdvisor's independent registered public accounting firm effective immediately upon TripAdvisor's filing of its Annual Report on Form 10-K for the year ended December 31, 2013 (the "Annual Report"). The Annual Report was filed with the SEC on February 11, 2014. The reports of E&Y on TripAdvisor's consolidated financial statements as of and for the years ended December 31, 2013 and 2012 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles. During the years ended December 31, 2013 and 2012, and through February 11, 2014, there were no: (i) disagreements with E&Y on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to E&Y's satisfaction, would have caused E&Y to make reference to the subject matter thereof in connection with its reports for such years; or (ii) reportable events, as described under Item 304(a)(1)(v) of Regulation S-K. TripAdvisor provided E&Y with a copy of the disclosures it expected to make in the Current Report on Form 8-K and requested from E&Y a letter addressed to the SEC indicating whether or not it agrees with the above disclosures. A copy of E&Y's letter dated February 11, 2014 is attached as Exhibit 16.1 to TripAdvisor's Current Report on Form 8-K filed on February 11, 2014.

Contemporaneous with the determination to dismiss E&Y, the Audit Committee appointed KPMG as TripAdvisor's independent registered public accounting firm for the year ended December 31, 2014, also to be effective immediately following the filing of TripAdvisor's Annual Report. During the years ended December 31, 2013 and 2012 and the subsequent interim period through February 11, 2014, TripAdvisor did not consult with KPMG with respect to (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered with respect to TripAdvisor's financial statements, and no written report or oral advice was provided to TripAdvisor that KPMG concluded was an important factor considered by TripAdvisor in reaching a decision as to any accounting, auditing or financial reporting issue, or (ii) any matter that was subject to any disagreement, as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions thereto, or a reportable event within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K.

The Audit Committee is directly responsible for the appointment, compensation and oversight of the audit work of the independent registered public accounting firm. If the stockholders fail to vote to ratify the appointment of KPMG, the Audit Committee will reconsider whether to retain KPMG and may retain that firm or another firm without resubmitting the matter to our stockholders. Even if stockholders vote on an advisory basis in favor of the appointment, the Audit Committee may, in its discretion, direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of TripAdvisor and our stockholders.

A representative of KPMG is expected to be present at the Annual Meeting, and will be given an opportunity to make a statement if he or she so chooses and will be available to respond to appropriate questions.

Required Vote

At the Annual Meeting, we will ask our stockholders to ratify the appointment of KPMG as our independent registered public accounting firm for 2015. This proposal requires the affirmative vote of a majority of the voting power of our shares, present in person or represented by proxy, and entitled to vote thereon, voting together as a single class. Abstentions will be counted toward the tabulations of voting power present and entitled to vote on the ratification of the independent registered public accounting firm proposal and will have the same effect as votes against the proposal. Brokers have discretion to vote on the proposal for ratification of the independent registered public accounting firm.

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THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS TRIPADVISOR’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2015.

Fees Paid to Our Independent Registered Public Accounting Firm

KPMG was TripAdvisor’s independent registered public accounting firm for the year ended December 31, 2014. E&Y was TripAdvisor’s independent registered public accounting firm for the year ended December 31, 2013. The following table sets forth aggregate fees for professional services rendered by KPMG and E&Y for the years ended December 31, 2014 and 2013, respectively.

	2014	2013
Audit Fees(1)	$1,352,635	$1,479,583
Tax Fees(2)	—	3,150
Other Fees	2,550	1,995
Total Fees	$1,355,185	$1,484,728

(1) Audit Fees include fees and expenses associated with the annual audit of our consolidated financial statements, statutory audits, review of our periodic reports, accounting consultations, review of SEC registration statements, report on the effectiveness of internal control and consents and other services related to SEC matters.
(2) Tax Fees include fees and expenses for quarterly tax compliance services outside of the U.S.

Audit and Non-Audit Services Pre-Approval Policy

The Audit Committee has responsibility for appointing, setting compensation of and overseeing the work of the independent registered public accounting firm. In recognition of this responsibility, the Audit Committee has adopted a policy governing the pre-approval of all audit and permitted non-audit services performed by TripAdvisor’s independent registered public accounting firm to ensure that the provision of such services does not impair the independent registered public accounting firm’s independence from TripAdvisor and our management. Unless a type of service to be provided by our independent registered public accounting firm has received general pre-approval from the Audit Committee, it requires specific pre-approval by the Audit Committee. The payment for any proposed services in excess of pre-approved cost levels requires specific pre-approval by the Audit Committee.

Pursuant to its pre-approval policy, the Audit Committee may delegate its authority to pre-approve services to one or more of its members, and it has currently delegated this authority to its Chairman, subject to a limit of $250,000 per approval. The decisions of the Chairman (or any other member(s) to whom such authority may be delegated) to grant pre-approvals must be presented to the full Audit Committee at its next scheduled meeting. The Audit Committee may not delegate its responsibilities to pre-approve services to Company management.

All of the audit-related, tax and all other services provided to us by KPMG and E&Y in 2014 and 2013, respectively, were approved by the Audit Committee by means of specific pre-approvals or pursuant to the procedures contained in the Company’s pre-approval policy.

The Audit Committee has considered the non-audit services provided by KPMG and E&Y in 2014 and 2013, as described above, and believes that they are compatible with maintaining KPMG’s and E&Y’s independence in the conduct of their auditing functions.

PROPOSAL 3:

ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

Overview

Stockholders are provided with an opportunity to cast an advisory vote on the compensation of our named executive officers, or NEOs. Our Board of Directors, with the Compensation Committee and senior management, are committed to designing an effective compensation program and values the views of our stockholders in this regard.

TripAdvisor's executive compensation program is designed to attract, retain and motivate highly skilled executives with the business experience and acumen that management and the Compensation Committees believe are necessary to achieve TripAdvisor's long-term business objectives. In addition, the executive compensation program is designed to reward short-term and long-term performance and to align the financial interests of executive officers with the interests of TripAdvisor's stockholders.

We are asking for stockholder approval, on an advisory basis, of the compensation of our named executive officers as disclosed in this Proxy Statement, which include the disclosures in the "Executive Compensation" and "Compensation Discussion and Analysis" sections, the compensation tables and the narrative discussion following the compensation tables in this Proxy Statement. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the policies and practices described in this Proxy Statement.

This vote is advisory and therefore not binding on TripAdvisor, the Compensation Committees, or the Board of Directors. The Board of Directors and the Compensation Committees value the opinions of TripAdvisor's stockholders. To the extent there is any significant vote against our named executive officers' compensation as disclosed in this Proxy Statement, the Compensation Committees will consider the impact of such vote on its future compensation policies and decisions.

Our first (and most recent) advisory vote on the compensation of our named executive officers was held at our 2012 annual meeting of stockholders on June 26, 2012. At that meeting, stockholders representing over 99% of the votes cast on the "say-on-pay" proposal approved, on an advisory basis, the compensation of our named executive officers as disclosed in our proxy statement for our 2012 annual meeting. Also at this meeting, the frequency at which future advisory votes on executive compensation would be held of once every three years received the affirmative vote of a majority of the votes cast on the "say-on-frequency" proposal. As a result, we currently expect that the next advisory vote on the compensation of our named executive officers will be held in 2018.

Required Vote

At the Annual Meeting, we will ask our stockholders to approve, on an advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with SEC rules. This proposal requires the affirmative vote of a majority of the voting power of the shares of TripAdvisor capital stock, present in person or represented by proxy, and entitled to vote thereon, voting together as a single class.

Abstentions will be counted toward the tabulations of voting power present and entitled to vote on the TripAdvisor executive compensation proposal and will have the same effect as votes against the proposal. Brokers do not have discretion to vote on the proposal regarding TripAdvisor's executive compensation and broker non-votes will have no effect on the proposal.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” THE APPROVAL OF THE COMPENSATION OF TRIPADVISOR’S NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT.

AUDIT COMMITTEE REPORT

Management has the primary responsibility for the financial statements, the reporting process and maintaining an effective system of internal control over financial reporting. TripAdvisor's independent registered public accounting firm is engaged to audit and express opinions on the conformity of our financial statements to generally accepted accounting principles and applicable rules and regulations, and the effectiveness of TripAdvisor's internal control over financial reporting.

The Audit Committee serves as a representative of the Board of Directors and assists the Board in monitoring (i) the integrity of our financial reporting process, (ii) the independent registered public accounting firm's qualifications and independence, (iii) the performance of the independent registered public accounting firm and our internal audit department, and (iv) our compliance with legal and regulatory requirements. In this context, the Audit Committee met six times in 2014 and took the following actions:

- appointed the independent registered public accounting firm, discussed with the auditors the overall scope and plans for the independent audit and pre-approved all audit and non-audit services to be performed by KPMG;
- reviewed and discussed with management and the auditors the audited consolidated financial statements for the year ended December 31, 2014, as well as our quarterly financial statements and interim financial information contained in each quarterly earnings announcement prior to public release;
- discussed with the auditors the matters required to be discussed by Auditing Standard No. 16, "Communications with Audit Committees," as adopted by the Public Company Accounting Oversight Board ("PCAOB"), and received all written disclosures, including the letter from the auditors required pursuant to Rule 3526 of the PCAOB "Communication with Audit Committees Concerning Independence";
- discussed with the auditors its independence from TripAdvisor and TripAdvisor's management as well as considered whether the non-audit services provided by the auditors could impair its independence and concluded that such services would not;
- reviewed and discussed with management and the auditors our compliance with requirements of the Sarbanes-Oxley Act of 2002 with respect to internal control over financial reporting, together with management's assessment of the effectiveness of our internal control over financial reporting and the auditors' audit of internal control over financial reporting; and
- regularly met separately with KPMG, with and without management present, to discuss the results of their examinations, including the integrity, adequacy and effectiveness of the accounting and financial reporting processes and controls.

Relying on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2014, and the Board approved such inclusion.

No portion of this Audit Committee Report shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, through any general statement incorporating by reference in its entirety the Proxy Statement in which this report appears, except to the extent that TripAdvisor specifically incorporates this report or a portion of it by reference. In addition, this report shall not be deemed filed under either the Securities Act or the Exchange Act.

Members of the Audit Committee:

Robert S. Wiesenthal (Chairman)

Jonathan F. Miller

Spencer Rascoff

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COMPENSATION DISCUSSION AND ANALYSIS

Overview

This Compensation Discussion and Analysis describes TripAdvisor's executive compensation program as it relates to our "named executive officers" as determined as of December 31, 2014 pursuant to SEC rules. As of December 31, 2014, our "named executive officers" were those individuals listed below. On April 2, 2015, Ms. Bradley informed us of her intention to resign from the Company.

Name	Position
Stephen Kaufer	President and Chief Executive Officer
Julie M.B. Bradley	Senior Vice President, Chief Financial Officer, Chief Accounting Officer and Treasurer
Seth J. Kalvert	Senior Vice President, General Counsel and Secretary
Dermot M. Halpin	President, Vacation Rentals
Barrie Seidenberg	Chief Executive Officer, Attractions

The Board of Directors has a Compensation Committee and a Section 16 Committee that together have primary responsibility for establishing the compensation of our named executive officers. In this Proxy Statement, we refer to the Compensation Committee and Section 16 Committee jointly as the "Compensation Committees."

Executive Summary and 2014 Business Highlights

- We have a pay for performance philosophy that guides all aspects of our compensation decisions:
  - Annual salary increases are tied to individual performance and business performance over the previous fiscal year.
  - Annual incentive compensation is structured so that payouts are tied to the achievement of financial targets and require year over year improvement in revenue and share price.
  - Long-term incentive compensation is structured so that target equity award values are linked to individual and business performance, while realized values are tied to the Company's share price.
- The interests of our named executive officers are aligned with those of our stockholders through the granting of a substantial portion of compensation in equity awards with multi-year vesting requirements.
- Below are some highlights for our business and financial results for 2014:
  - TripAdvisor's travel community reached more than 315 million monthly unique visitors during the year ended December 31, 2014, including nearly 50% via mobile devices (tablet and smartphone). With approximately 11% of the world's monthly unique visitors in online travel at the end of 2014, we remain the largest travel website in the world.
  - TripAdvisor reached nearly 175 million mobile app downloads, up 110% year over year – including downloads of TripAdvisor, TripAdvisor City Guides, JetSetter, GateGuru and SeatGuru. Also, the core TripAdvisor app has been downloaded more than 155 million times and had its sixth straight fiscal quarter of greater than 100% growth.
  - TripAdvisor's total revenue increased by 32% over the prior year and Adjusted EBITDA increased by 23% over the prior year.
- TripAdvisor achieved 99% of its revenue plan and 98% of its EBITDA plan.

Fiscal 2014 was a solid year for TripAdvisor with the Company achieving record revenue, adjusted EBITDA and earnings per share and substantially achieving its annual operating plan, while at the same time consummating several strategic acquisitions as well as launching several important initiatives. As a result, the Company generally funded its annual cash bonus programs at approximately 96% of target.

Compensation Program Objectives

Our executive compensation program is designed to attract, motivate and retain highly skilled employees in executive positions with the business experience and acumen that management and the Compensation Committees believe are necessary for achievement of our long-term business objectives and to ensure that the compensation provided to these executives remains competitive with the compensation paid to similarly situated executives at comparable companies. The executive compensation program is also designed so that it does not encourage our named executive officers to take unreasonable risks relating to our business. In addition, the executive compensation program is designed to reward both short-term and long-term performance and to align the financial interests of our named executive officers with the interests of our stockholders.

Management and the Compensation Committees evaluate both performance and compensation levels to ensure that we maintain our ability to attract and retain outstanding employees in executive positions. To that end, management and the Compensation Committees believe the executive compensation packages provided by TripAdvisor to our named executive officers should include both cash and equity-based compensation.

Roles and Responsibilities

Role of the Compensation and Section 16 Committees

The Compensation Committee is appointed by the Board of Directors and consists entirely of directors who are "outside directors" for purposes of Section 162(m) of the Code. The Compensation Committee currently consists of Ms. Singh Cassidy and Messrs. Philips and Maffei, with Ms. Singh Cassidy acting as Chairperson of the Compensation Committee. The Compensation Committee is responsible for (i) designing and overseeing our compensation with respect to our executive officers, including salary matters, bonus plans and stock compensation plans and (ii) approving all grants of equity awards, but excluding matters governed by Rule 16b-3 under the Exchange Act (for which the Section 16 Committee has responsibility as described below). Notwithstanding the foregoing, the Compensation Committee has delegated to the Chief Executive Officer of the Company authority to grant certain types of equity awards, subject to certain limitations, to employees other than executive officers.

The Section 16 Committee is also appointed by the Board of Directors and consists entirely of directors who are "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act. The Section 16 Committee currently consists of Ms. Singh Cassidy and Mr. Philips. The Section 16 Committee is responsible for administering and overseeing matters governed by Rule 16b-3 under the Exchange Act, including approving grants of equity awards to our named executive officers. Ms. Singh Cassidy is also the Chairperson of the Section 16 Committee.

Role of Executive Officers

Management participates in reviewing and refining our executive compensation program. Mr. Kaufer, our President and Chief Executive Officer, annually reviews the performance of TripAdvisor and each named executive officer with the Compensation Committees and makes recommendations with respect to the appropriate base salary, annual cash bonus and grants of equity awards for each named executive officer, other than in connection with compensation for himself. Based in part on these recommendations and the other factors discussed below, the Compensation Committees review and approve the annual compensation package of each named executive officer.

Role of Compensation Consultant

Pursuant to the Compensation Committee and Section 16 Committee Charter, the Compensation Committees may retain compensation consultants for the purpose of assisting the Compensation Committees in their evaluation of the compensation for our named executive officers. In 2014, the Compensation Committees retained Compensia, Inc. ("Compensia"), a management consulting firm providing executive compensation advisory services to compensation committees and senior management, to assist in an evaluation of TripAdvisor's compensation peer group, to use the compensation peer group to compile and analyze competitive compensation market data for certain executive officer positions and to advise on matters related to our long-term incentive compensation structure. The Compensation Committees consider input from their compensation consultant as one factor in making decisions with respect to compensation matters, along with information and analysis they receive from management and their own judgment and experience.

Based on consideration of the factors set forth in the rules of the SEC and NASDAQ, the Compensation Committees have determined that their relationship with Compensia and the work performed by Compensia on behalf of the Compensation Committees has not raised any conflict of interest. In addition, in compliance with the Compensation Committee and Section 16 Committee

Charter, the Compensation Committees approved the fees paid to Compensia for work performed in 2014 and confirm that such payments did not exceed $120,000.

Role of Stockholders

TripAdvisor provides its stockholders with the opportunity to cast an advisory vote to approve the compensation of our named executive officers every three years. In evaluating our 2014 executive compensation program, the Compensation Committees considered the result of the stockholder advisory vote on our executive compensation (the "say-on-pay vote") held at our Annual Meeting of Stockholders on June 26, 2012, which was approved by over 99% of the votes cast. As a result, the Compensation Committees did not make any significant changes to our executive compensation program for 2014. The Compensation Committees will continue to consider the outcome of the say-on-pay vote when making future compensation decisions for our named executive officers.

We will hold a say-on-pay vote every three years until the next vote on the frequency of such stockholder advisory votes, which will occur no later than our 2018 Annual Meeting of Stockholders. We will hold a say-on-pay vote at this Annual Meeting. Our next say-on-pay vote, following this meeting, will be held at the annual meeting of our stockholders in 2018.

Compensation Program Elements

General

The primary elements of our executive compensation program are base salary, an annual cash bonus and equity awards. Generally, the Compensation Committees review these elements in the first quarter of each year in light of our business and individual performance, recommendations from management and other relevant information, including prior compensation history and outstanding long-term incentive compensation arrangements. Management and the Compensation Committees believe that there are multiple, dynamic factors that contribute to success at an individual and business level. Management and the Compensation Committees have therefore refrained from adopting strict formulas and have relied primarily on a discretionary approach that allows the Compensation Committees to set executive compensation levels on a case-by-case basis, taking into account all relevant factors.

The following chart illustrates the composition of the target total direct compensation for the Chief Executive Officer and for the other named executive officers between base salary, short term and long term compensation. All elements of compensation are considered to be "at-risk" with the exception of base salary.

(1) For our CEO, Total Compensation consists of 2014 annualized base salary, 2014 target annual cash bonus, and the grant date fair-value of his 2013 equity grant, prorated for the portion of service period attributed to 2014, given that our CEO did not receive a 2014 equity grant and will not receive another equity grant until at least August 2017.
(2) For Other NEOs, Total Compensation is defined as 2014 annualized base salary, 2014 target annual cash bonus, and the 2014 target grant date value of annual equity awards as disclosed in the Summary Compensation Table.
(3) The Other NEO Total Compensation Mix chart reflects the average Total Compensation of Ms. Bradley, Mr. Kalvert, and Mr. Halpin. Ms. Seidenberg is excluded given that her new-hire compensation is not representative of our annual executive compensation.

One of the primary objectives of our compensation philosophy is to design and support pay opportunities that align with our performance and ultimately result in strong long-term value creation for our stockholders. The significant weighting of long-term incentive compensation ensures that our named executive officers' primary focus is sustained long-term performance, while our short-term incentive compensation motivates consistent annual achievement. The following chart illustrates the percentage of compensation which is fixed versus variable and the allocation between short and long-term compensation.

(1) For our CEO and Other NEOs, Fixed Compensation consists solely of 2014 annualized base salary. For our CEO, Variable Compensation consists of 2014 target annual cash bonus and the grant date fair-value of the CEO's 2013 equity grant, prorated for the portion of service period attributed to 2014, given that our CEO did not receive a 2014 equity grant and will not receive another equity grant until at least August 2017. For Other NEOs, Variable Compensation consists of 2014 target annual cash bonus and the 2014 target grant date value of annual equity awards as disclosed in the Summary Compensation Table.

(2) For our CEO and Other NEOs, short-term incentive compensation consists of 2014 target annual cash bonus. For our CEO, long-term incentive compensation consists of grant date fair-value of the CEO's 2013 equity grant, prorated for the portion of service period attributed to 2014, given that our CEO did not receive an equity grant in 2014 and will not receive another equity grant until August 2017. For Other NEOs, short-term incentive compensation consists of 2014 target annual cash bonus, while long-term incentive compensation is defined as target grant date value of annual equity awards as disclosed in the Summary Compensation Table.

(3) The Other NEO compensation reflected in the tables above reflects the compensation averages for Ms. Bradley, Mr. Kalvert, and Mr. Halpin. Ms. Seidenberg is excluded given that her new-hire compensation is not representative of our annual executive compensation.

Following recommendations from management, the Compensation Committees may also adjust compensation for specific individuals at other times during the year when there are significant changes in responsibilities or under other circumstances that the Compensation Committees consider appropriate.

Base Salary

Base salary represents the fixed portion of a named executive officer's compensation and is intended to provide compensation for expected day-to-day performance. A named executive officer's base salary is initially determined upon hire or promotion based on his or her responsibilities, prior experience, individual compensation history and salary levels of other executives within TripAdvisor and similarly situated executives at comparable companies. Base salary is typically reviewed annually, at which time management makes recommendations to the Compensation Committees based on consideration of a variety of factors including, but not limited to, the following:

- the named executive officer's total compensation relative to other executives in similarly situated positions,
- his or her individual performance relative to performance goals established between our CEO and President of the named executive officer,
- his or her responsibilities, prior experience, and individual compensation history, including any non-standard compensation,
- the terms of his or her employment agreement, if any,
- competitive compensation market data, when available,

- general economic conditions, and
- the recommendations of the President and Chief Executive Officer (other than in connection with his own compensation).

After careful consideration of the factors discussed above with respect to each of the named executive officers, the Compensation Committees approved 2014 salary changes for our named executive officers. The table below describes, for each named executive officer, the 2013 annualized salary, the annual salary increase and the 2014 annualized salary. Adjustments were made to the compensation annual base salary of Ms. Bradley and Mr. Kalvert primarily in acknowledgement of the extent to which they had achieved their individual performance goals and in response to the analysis provided by Compensia on competitive compensation market data for executive officers with in our peer group in comparable positions. Ms. Seidenberg's salary was set in August 2014 when TripAdvisor acquired Viator and her employment commenced. Only her annualized 2014 base salary is included in the table below.

Name	2013 Salary	Annual Salary Increase	2014 Salary
Stephen Kaufer	$500,000	$-	$500,000
Julie Bradley	$365,000	$32,000	$397,000
Seth Kalvert	$350,000	$35,000	$385,000
Dermot M. Halpin	£296,440	£5,929	£302,369
Barrie Seidenberg	--	--	$250,000

(1) Mr. Halpin's base salary was paid in GBP and the amounts set forth above represent $488,652, $9,773 and $498,425, respectively, when converted to USD using an exchange rate of 1.6484 USD to 1 GBP.

Annual Cash Bonuses

Cash bonuses are awarded to recognize and reward each named executive officer's annual contribution to Company performance. Unless otherwise provided by the provisions of his or her employment agreement, the target annual cash bonus opportunities for our named executive officers are generally established by the Compensation Committees, based on competitive market data and recommendations by the President and Chief Executive Officer (other than in connection with his own compensation).

In February 2015, management recommended bonuses with respect to calendar year 2014 for each of our named executive officers after taking into account a variety of factors including, but not limited to, the following:

- TripAdvisor's business and financial performance, including year-over-year performance,
- TripAdvisor's performance against strategic initiatives,
- the named executive officer's target cash bonus opportunity, if any,
- his or her individual performance,
- the overall funding of the cash bonus pool,
- the amount of bonus relative to other TripAdvisor executives,
- general economic conditions,
- competitive compensation market data, when available, and
- the recommendations of the President and Chief Executive Officer (other than in connection with his own compensation).

Annual cash incentive bonuses awarded to our named executive officers for 2014 were subject to the achievement of performance goals relating either to stock price performance or revenue, which were satisfied. These performance goals were designed to permit TripAdvisor to deduct all named executive officer compensation for 2014 in accordance with Section 162(m) of the Code. Specifically, the cash bonuses awarded to our named executive officers in 2014 were subject to the satisfaction of one of the following performance goals:

- The revenues of TripAdvisor in any of the three consecutive calendar quarters beginning with the second quarter of 2014 must be at least 10% higher than the revenues in the corresponding calendar quarter 12 months before, excluding the benefit of any acquisitions by TripAdvisor during this period; or
- The closing price per share of TripAdvisor common stock must be at least 5% higher than the closing price of TripAdvisor's common stock on February 6, 2014, which was $77.14 per share, on any 30 trading days during the period beginning February 7, 2014 and ending December 31, 2014 (such days not necessarily consecutive), taking into account any Share Change or Corporate Transaction (each as defined in the TripAdvisor 2011 Stock and Annual Incentive Plan, as amended (the "2011 Plan")).

In general, these performance goals reflect the minimally acceptable Company performance that must be achieved for cash bonuses to be awarded to our named executive officers, but with respect to which there is substantial uncertainty when established. The Compensation Committees may exercise negative discretion in making the annual cash bonus awards. As a result, while performance targets were used in setting compensation under this plan, ultimately the levels of those targets and the Compensation Committees' use of negative discretion typically result in the award of compensation as if the annual incentive plan were operating as a discretionary plan.

After consideration of the factors discussed above (including confirmation of satisfaction of the performance goals established for the Company and individual performance goals established between our CEO and President and the named executive officers), the Compensation Committees awarded 2014 cash bonuses to our named executive officers. The table below describes, for each named executive officer other than Ms. Seidenberg, the target bonus for 2014, the actual bonus paid and percentage of bonus paid relative to target.

Name	Target Bonus as % of Base Salary	Target Cash Bonus	Cash Bonus Award	Percentage of Award to Target
Stephen Kaufer	100 %	$500,000	$700,000	140 %
Julie Bradley	66 %	$262,020	$235,818	90 %
Seth Kalvert	50 %	$192,500	$192,500	100 %
Dermot M. Halpin	50 %	£151,185	£139,090	92 %

(1) Mr. Halpin's annual cash bonus was paid in GBP and the amounts set forth above represent $249,213 and $229,276, respectively, when converted to USD using an exchange rate of 1.6484 USD to 1 GBP.

Ms. Seidenberg joined TripAdvisor in August 2014 upon the consummation of the acquisition of Viator by TripAdvisor. Pursuant to the terms of her employment agreement, Ms. Seidenberg remained on the Viator bonus program through the end of 2014. As a result, she was eligible to receive a quarterly target bonus of $18,750 for the second, third, and fourth quarters of 2014 as well as a target annual bonus of $75,000. Such payouts were made with consideration for Viator business and financial performance, although specific targets were not set. The table below describes Ms. Seidenberg's 2014 target bonuses, the actual bonus paid and percentage of bonus paid relative to target.

Performance Period	Target Cash Bonus	Cash Bonus Award	Percentage of Award to Target
Second Quarter	$18,750	$15,000	80 %
Third Quarter	$18,750	$18,750	100 %
Fourth Quarter	$18,750	$18,750	100 %
Annual	$75,000	$84,375	113 %
Total	$131,250	$136,875	104 %

Equity Awards

The Compensation Committees use equity awards to align executive compensation with our long-term performance. Equity awards link compensation to financial performance because their value depends on TripAdvisor's share price. Equity awards are also

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an important employee retention tool because they generally vest over a multi-year period, subject to continued service by the award recipient.

Equity awards are typically granted to our named executive officers upon hire or promotion and annually thereafter. Management generally recommends annual equity awards in the first quarter of each year when the Compensation Committees meet to make determinations regarding annual bonuses for the last completed fiscal year and to set compensation levels for the current fiscal year. The practice of the Compensation Committees is to generally grant equity awards to our named executive officers only in open trading windows.

Typically, equity awards have been in the form of awards of restricted stock units (“RSUs”) and/or options to purchase shares of TripAdvisor common stock or some combination of the two. Stock options have an exercise price equal to the market price of TripAdvisor common stock on the date of grant, and, therefore, provide value to our named executive officers only if our stock price increases. Stock options generally vest over a period of four years. We believe stock options incentivize our named executive officers to sustain increases in stockholder value over extended periods of time. RSUs are a promise to issue shares of our common stock in the future provided the named executive officer remains employed with us through the award’s vesting period. RSUs generally vest over a period of four years. RSUs provide the opportunity for capital accumulation and long-term incentive value and are intended to assist in satisfying our retention objectives.

The Compensation Committees review various factors considered by management when they establish TripAdvisor’s equity award grant pool including, but not limited to, the following:

- TripAdvisor’s business and financial performance, including year-over-year performance,
- dilution rates, taking into account projected headcount growth and employee turnover,
- non-cash compensation as a percentage of earnings before interest, taxes, depreciation and amortization,
- equity compensation utilization by peer companies,
- general economic conditions, and
- competitive compensation market data regarding award values.

For specific awards to our named executive officers, management makes recommendations to the Section 16 Committee based on a variety of factors including, but not limited to, the following:

- TripAdvisor’s business and financial performance, including year-over-year performance,
- individual performance and future potential of the executive,
- the overall size of the equity award pool,
- award value relative to other TripAdvisor executives,
- the value of previous awards and amount of outstanding unvested equity awards,
- competitive compensation market data, to the degree that the available data is comparable, and
- the recommendations of the President and Chief Executive Officer (other than in connection with his own compensation).

After review and consideration of the recommendations of management and the President and Chief Executive Officer (other than with respect to awards for himself), the Section 16 Committee decides whether to grant equity awards to our named executive officers. After consideration of the factors discussed above, in February 2014, the Section 16 Committee granted the equity awards described below.

Name	Grant Date Fair Value	Number of Stock Options	Number of RSUs
Julie Bradley	$2,105,226	33,584	5,432
Seth Kalvert	$1,537,430	24,526	3,967
Dermot M. Halpin	$749,787	7,973	3,869

In August 2013, the Section 16 Committee granted an option to purchase 1,100,000 shares of TripAdvisor common stock to Mr. Kaufer, which will vest in equal installments on each of the fourth and fifth anniversaries of the award date of the grant, subject to Mr. Kaufer's continuous employment with, or performance of services for, TripAdvisor or one of its subsidiaries or affiliates and his being in good standing through each such vesting date. In consideration of this award, Mr. Kaufer is subject to non-competition and non-solicitation covenants that apply during his employment and until 18 months immediately following the termination of his employment for any reason. In recognition of the size of the stock option granted to Mr. Kaufer in August 2013, the Section 16 Committee indicated its expectation that Mr. Kaufer would not be eligible for another equity award until August 2017, and, accordingly, Mr. Kaufer was not granted an equity award in 2014.

In February 2014, the Compensation Committee considered Mr. Halpin's outstanding February 2013 performance grant of an option to purchase 100,000 shares of common stock. The first tranche of the award, relating to 33 1/3% of the shares underlying the stock option award, or 33,333 shares, was scheduled to vest on December 31, 2013 subject to achievement of certain interim performance targets. Given that business priorities affected the achievement of these interim performance targets, Mr. Kaufer recommended, and the Compensation Committee approved, a modification of the performance-based stock option such that the 33,333 shares underlying the award that had been scheduled to vest on December 31, 2013 would instead vest on December 31, 2014, subject to Mr. Halpin's continued employment at TripAdvisor. Please refer to the Grants of Plan Based Awards table for the incremental expense related to this modification.   Vesting of the remaining 66,667 shares underlying that portion of the award will vest on February 1, 2016, subject to the achievement of performance metrics related to revenue and EBITDA.

In August 2014, Ms. Seidenberg joined TripAdvisor in connection with the Viator acquisition. Upon the close of the acquisition, Ms. Seidenberg was granted stock options and RSUs in the amounts below to motivate, retain, and align her interests with those of our stockholders. In addition, TripAdvisor assumed Ms. Seidenberg's Viator stock options covering a total of 24,943 shares that were not exchanged for cash in connection with the transaction, details of which can be found in the Outstanding Equity Awards at Fiscal Year End table.

Name	Grant Date Fair Value	Number of Stock Options	Number of RSUs
Barrie Seidenberg	$2,017,744	11,215	15,880

Employee Benefits

In addition to the primary elements of compensation described above, our named executive officers also participate in employee benefits programs available to our employees generally, including, for named executive officers residing in the United States, the TripAdvisor Retirement Savings Plan. Under this plan, TripAdvisor matches 50% of each dollar a participant contributes, up to the first 6% of eligible compensation, subject to tax limits. Prior to his relocation from the United Kingdom to the United States, Mr. Halpin participated in our UK pension scheme, pursuant to which we match 100% of participant contributions, up to the first 5% of eligible compensation.

In addition, we provide other benefits to our named executive officers on the same basis as all of our domestic employees generally. These benefits include group health (medical, dental, and vision) insurance, group disability insurance, and group life insurance.

In situations where a named executive officer is required to relocate, TripAdvisor also provides relocation benefits, including reimbursement of moving expenses, temporary housing and other relocation expenses as well as a tax gross-up payment on the relocation benefits. In 2014, Mr. Halpin relocated from the United Kingdom to our corporate headquarters in Newton, Massachusetts and received such relocation support as disclosed in the Summary Compensation Table.

TripAdvisor also sponsors a Global Personal Travel Reimbursement program generally available to all employees, including our named executive officers, that provides for reimbursement of up to $750 a year for leisure travel that is arranged using one of the TripAdvisor Media Group family of products and provides all employees, including our named executive officers, an annual holiday bonus in the form of a gift card as well as a tax gross-up payment on the value of the gift card.

Compensation Program Policies

Executive Compensation Recovery

TripAdvisor has an executive compensation recovery, or clawback, provision in our form of award agreements providing for recoupment of equity compensation. Each of TripAdvisor's equity award documents provides that in the event an employee is terminated for Cause (as defined in the 2011 Plan) or resigns within two years after any event or circumstance that would have been grounds for termination of employment for Cause, then the employee agrees that certain equity securities issued to such employee (whether or not vested) may be forfeited and cancelled in their entirety upon such termination of employment. In such event, TripAdvisor may cause the employee to either (i) return the equity securities or shares of common stock issued upon exercise or vesting of such securities, or (ii) pay to TripAdvisor an amount equal to the aggregate amount, if any, that the employee had previously realized in respect of any and all shares of common stock acquired upon exercise or vesting of such equity awards.

We intend to adopt a general clawback policy covering our annual and long-term incentive award plans and arrangements or amend our existing documents once the SEC adopts final rules implementing the requirement of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act

Insider Trading and Hedging Policy

TripAdvisor has adopted an Insider Trading Policy covering our directors, officers, employees and consultants designed to ensure compliance with relevant SEC regulations, including insider trading rules. TripAdvisor's insider trading policy also prohibits directors, officers, employees and consultants from engaging in various types of transactions in which they may profit from short-term speculative swings in the value of TripAdvisor securities. These transactions include "short sales" (or selling borrowed securities which the sellers hopes can be purchased at a lower price in the future), "put" and "call" options (or publicly available rights to sell or buy securities within a certain period of time at a specified price or the like) and hedging transactions, such as zero-cost collars and forward sale contracts. The policy also prohibits the pledge or use of company securities as collateral in a margin account or collateral for a loan.

The Role of Competitive Compensation Market Data

Management considers multiple data sources when reviewing compensation information to ensure that the data reflects compensation practices of relevant companies in terms of size, industry and geographic location. Among other factors, management considers the following information in connection with its recommendations to the Compensation Committees regarding compensation for our named executive officers:

- Data from salary and equity compensation surveys that include companies of a similar size, based on market capitalization, revenues and other factors, and
- Data regarding compensation for certain executive officer positions (e.g., chief executive officer and chief financial officer) from recent proxy statements and other SEC filings of peer companies, which include: (i) direct industry competitors, and (ii) non-industry companies with which TripAdvisor commonly competes for talent (including both regional and national competitors).

In the summer of 2013, the Compensation Committees retained Compensia to review the existing compensation peer group and to recommend possible changes. Our business model is somewhat unique. We use our innovative technology systems and software to attract users and then facilitate transactions between our business partners and those users. Accordingly, Compensia recommended certain changes to the compensation peer group, including focusing on publicly-traded companies in the business to consumer ("B2C") and software industries.

In February 2014, based on input from Compensia, the Compensation Committees approved the following companies to constitute the compensation peer group for purposes of serving as a referring in determining 2014 base salaries and equity awards for our executive officers:

Software Companies	B to C Internet Companies
Akamai Technologies, Inc.	Expedia, Inc.
ANSYS, Inc.	Groupon, Inc.
Citrix Systems, Inc.	Homeaway.com, Inc.
Concur Technologies, Inc.	IAC/InterActiveCorp.
FactSet Research Systems, Inc.	LinkedIn Corp.
NetSuite Inc.	Netflix Inc.
Nuance Communications	Pandora Media, Inc.
RedHat, Inc.	priceline.com Incorporated
VeriSign, Inc.	Shutterfly, Inc.
Workday, Inc.	VistaPrint N.V.

The 2014 peer group remains unchanged from the peer group approved by the Compensation Committees in August, 2013.

When available, management and the Compensation Committees consider competitive market compensation paid by peer group companies but does not attempt to maintain a certain target percentile within the compensation peer group or otherwise rely solely on such data when making recommendations to the Compensation Committees regarding compensation for our named executive officers. Management and the Compensation Committees strive to incorporate flexibility into our executive compensation program and the assessment process to respond to and adjust for the evolving business environment and the value delivered by our named executive officers.

Tax Matters

Section 162(m) of the Code generally permits a tax deduction to public corporations for compensation over $1 million paid in any fiscal year to their chief executive officer and certain other highly compensated executive officers only if the compensation qualifies as "performance-based compensation" for purposes of Section 162(m). The Compensation Committees endeavor to structure the compensation of our executive officers to qualify as "performance-based compensation" when it deems such qualification to be in the best interests of TripAdvisor and its stockholders. Nonetheless, from time to time certain nondeductible compensation may be paid and the Board of Directors and the Compensation Committees reserve the authority to award nondeductible compensation to our executive officers in appropriate circumstances.

For purposes of enabling TripAdvisor to deduct the compensation paid to and recognized by our named executive officers in accordance with Section 162(m) of the Code, the Compensation Committees sought to design the annual bonuses awarded to our named executive officers for 2014 to qualify as "performance-based compensation" as described under "Compensation Program Elements – Cash Bonuses" above.

Post-Employment Compensation

Change in Control

Under the 2011 Plan, Ms. Bradley and Messrs. Kaufer and Kalvert are entitled to accelerated vesting of certain of their outstanding and unvested equity awards in the event of a change in control of TripAdvisor (i.e. a "single trigger" acceleration provision), although the definition of a "change in control" in the 2011 Plan does not include the acquisition of voting control by Liberty or LTRIP. When the 2011 Plan was adopted, the Compensation Committees believed that accelerated vesting of equity awards in connection with change in control transactions would provide an incentive for our named executive officers to continue to help execute successfully such a transaction from its early stages until closing. Under the 2011 Plan, acceleration of equity awards and equity awards for all other employees is subject to double trigger acceleration (i.e., accelerated vesting occurs only upon an involuntary termination of employment or resignation for “good reason” during the two-year period following a change in control).

In August 2013, after further evaluation of the “single trigger” acceleration provisions, the Compensation Committees determined that future equity awards made under the 2011 Plan would not be entitled to “single trigger” acceleration and, instead, the award agreements with respect to such equity awards would provide that any acceleration of vesting of the equity awards would be subject to “double trigger” rather than “single trigger” acceleration. This means that a vesting of outstanding and unvested equity awards granted on or after August 28, 2013, would only occur upon both a change in control and qualified termination of employment. With respect to Mr. Kaufer’s equity award granted in August 2013, he agreed to waive the “single trigger” acceleration right and instead agreed that acceleration of this equity award is subject to “double trigger” acceleration. This determination will not have an impact on equity awards made to our named executive officers prior to Mr. Kaufer’s equity award grant in August 2013. For a description and quantification of change in control payments and benefits for our named executive officers, please see the section below entitled "Potential Payments Upon Termination of Change in Control."

Severance

In March 2014, TripAdvisor, entered into employment agreements with each of Mr. Kaufer, Ms. Bradley and Mr. Kalvert. In addition, at the time of their employment with TripAdvisor, the Company executed offer letters with Mr. Halpin and Ms. Seidenberg. Pursuant to these agreements and offer letters, each of our named executive officers is eligible to receive certain severance payments and benefits in the event of a qualifying termination of employment. The material terms of these employment agreements are described below under the headings "Potential Payments Upon Termination or Change in Control."

Compensation Committee Interlocks and Insider Participation

The Compensation Committee consists of Ms. Singh Cassidy and Messrs. Philips and Maffei and the Section 16 Committee consists of Ms. Singh Cassidy and Mr. Philips. None of Ms. Singh Cassidy or Messrs. Philips, or Maffei was an officer or employee of TripAdvisor, formerly an officer of TripAdvisor, or an executive officer of an entity for which an executive officer of TripAdvisor served as a member of the compensation committee or as a director during the one-year period ended December 31, 2014.

During the last fiscal year, none of our executive officers served as: (1) a member of the compensation committee (or other committee of the board of directors performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served on our compensation committee;(2) a director of another entity, one of whose executive officers served on our compensation committee, or (3) a member of the compensation committee (or other committee of the board of directors performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served on our Board.

Compensation Committees Report

This report is provided by the Compensation Committee and the Section 16 Committee (the "Compensation Committees") of the Board of Directors. The Compensation Committees have reviewed the Compensation Discussion and Analysis and discussed that analysis with management. Based on this review and discussions with management, the Compensation Committees recommended to the Board of Directors that the Compensation Discussion and Analysis be included in TripAdvisor's 2015 Proxy Statement.

Members of the Compensation Committee:

Sukhinder Singh Cassidy (Chairperson)

Jeremy Philips

Gregory B. Maffei

Members of the Section 16 Committee:

Sukhinder Singh Cassidy (Chairperson)

Jeremy Philips

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EXECUTIVE COMPENSATION

Summary Compensation

The following table sets forth certain information regarding the compensation paid to our Chief Executive Officer, Chief Financial Officer and three most highly compensated executive officers in 2014. On February 5, 2015, the Board of Directors determined that for the fiscal year ended December 31, 2014, Mr. Dermot and Ms. Seidenberg were "executive officers" for purposes of Rule 3b-7 promulgated under the Exchange Act.

Name and Principal Position	Year	Salary ($)	Bonus ($) (1)	Stock Awards ($)(2)	Option Awards ($)(2)		All Other Compensation ($)(3)	Total ($)
Stephen Kaufer	2014	500,000	700,000	—	—		7,960	1,207,960
President and Chief Executive Officer	2013	500,000	450,000	—	38,054,126		10,101	39,014,227
	2012	469,231	750,000	—	5,126,804		47,440	6,393,475
Julie M.B. Bradley(4)	2014	392,077	235,818	526,469	1,578,757		8,835	2,741,956
Senior Vice President, Chief Financial	2013	355,385	216,810	—	1,889,028		8,665	2,469,888
	2012	302,116	250,000	—	2,050,722		1,574	2 604,412
Officer, and Treasurer								
Seth J. Kalvert	2014	379,616	192,500	384,482	1,152,948		7,960	2,117,506
Senior Vice President, General	2013	346,923	166,250	—	1,147,338		6,847	1,667,358
Counsel and Secretary	2012	329,231	205,000	—	1,025,361		268,496	1,828,088
Dermot M. Halpin(5)	2014	496,791	229,276	374,983	948,928	(7)	248,110	2,298,088
President, Vacation Rentals								
Barrie Seidenberg(6)	2014	97,436	136,875	1,513,205	504,539		160	2,252,215
Chief Executive Officer, Attractions								

(1) The amounts reported in this column represent cash bonuses paid to all executive officers other than Ms. Seidenberg in 2015, 2014 and 2013 for annual performance in 2014, 2013 and 2012, respectively. For Ms. Seidenberg, the amount reported reflects quarterly and annual bonuses paid in 2014 and 2015 for 2014 performance.

(2)

These equity awards are described in more detail in the tables below entitled “Grants of Plan Based Awards” and “Outstanding Equity Awards at Fiscal Year End.” We have disclosed the assumptions made in the valuation of the stock awards in “Stock Based Awards and Other Equity Based Instruments” under Note 4 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2014.

(3) See table below for information regarding the 2014 amounts reported.

(4) On April 2, 2014, Ms. Bradley informed us of her intention to resign from the Company. TripAdvisor and Ms. Bradley have entered into a separation agreement pursuant to which she will remain with the Company on a full-time basis for a transition period which will last until the earlier of September 30, 2015 or 30 days’ following her successor’s start date. The terms of such separation are more particularly described in “—Potential Payments upon Termination or Change in Control.”

(5) Mr. Halpin’s compensation has been converted from GBP to USD at an exchange rate of 1.6484 USD:1 GBP.

(6) Ms. Seidenberg’s employment commenced at TripAdvisor on August 8, 2014. The totals above reflect only compensation earned after her employment commenced at TripAdvisor.

(7) Includes $574,124 attributable to the modification of a stock option granted to Mr. Halpin on February 27, 2013.

2014 All Other Compensation

	Gift Card (a)	Dividend Equivalent (b)	Employer Retirement Contributions (c)	Relocation Related Expenses (d)	Tax Gross-Ups (e)	Total
Stephen Kaufer	100	—	7,800	—	60	7,960
Julie M.B. Bradley	100	875	7,800	—	60	8,835
Seth J. Kalvert	100	—	7,800	—	60	7,960
Dermot M. Halpin	—	—	24,840	155,842	67,428	248,110
Barrie Seidenberg	100	—	—	—	60	160

(a) Represents the amount of a gift card that was given to all employees as a holiday bonus.

(b) Represents amounts paid in cash for accrued dividend equivalents on vested RSUs that were assumed by TripAdvisor in connection with the Spin-Off.

(c) For Ms. Bradley and Messrs. Kaufer and Kalvert represents matching contributions under the TripAdvisor Retirement Savings Plan as in effect through December 31, 2014, pursuant to which TripAdvisor matches $0.50 for each dollar a participant contributes, up to the first 6% of eligible compensation, subject to certain limits. For Mr. Halpin reflects employer contributions in the Company's UK pension scheme pursuant to which TripAdvisor matches up to the first 5% of eligible compensation.

(d) Represents relocation related expenses including a housing allowance, home leave, and education assistance for Mr. Halpin's family in relation to his move from the United Kingdom to the United States.

(e) For all named executive officers except Mr. Halpin, this amount represents a gross-up for the holiday gift card. For Mr. Halpin, the amount represents a tax gross-up in relation to his relocation benefits.

Grants of Plan-Based Awards

The table below provides information regarding the plan-based awards granted to our named executive officers in 2014.

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units(#)	All Other Option Awards: Number of Securities Underlying Options(#)	Exercise Price or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)(1)

Julie M.B. Bradley					
Stock Options	2/21/2014	—	33,584	96.92	1,578,757
RSUs	2/21/2014	5,432	—	—	526,469
Seth J. Kalvert					
Stock Options	2/21/2014	—	24,526	96.92	1,152,948
RSUs	2/21/2014	3,967	—	—	384,482
Dermot M. Halpin					
Stock Options (2)	2/27/2013	—	33,333	45.27	574,124
Stock Options	2/21/2014	—	7,973	96.92	374,804
RSUs	2/21/2014	3,869	—	—	374,983
Barrie Seidenberg					
Stock Options	8/8/2014	—	11,215	95.29	504,539
RSUs	8/8/2014	5,293	—	—	504,370
RSUs	8/8/2014	10,587	—	—	1,008,835

(1) The amounts reported represent the aggregate grant date fair value computed in accordance with U.S. generally accepted accounting principles, or GAAP, and may not correspond to the actual value that will be realized by the executive. See footnote (1) in the Summary Compensation Table above for more information regarding the determination of the grant date fair value of these awards.

(2) On February 5, 2014, the Compensation Committee approved a modification of this award such that the performance criteria applicable to the first tranche of the award with respect to 33,333 shares is waived and the award vested on December 31, 2014 with respect to such shares, subject to Mr. Halpin's continued employment at TripAdvisor. The amount reported in the Grant Date Fair Value of Stock and Option Awards column represents the incremental fair value of the option on the date of modification.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information regarding the holdings of stock options and RSUs by our named executive officers as of December 31, 2014. The market value of the RSUs is based on the closing price of TripAdvisor common stock on the NASDAQ Stock Market on December 31, 2014, the last trading day of the year, which was $74.66 per share.

		Option Awards						Stock Awards		
Name	Grant Date(1)	Number of Securities Underlying Unexercised Options (#) Exercisable		Number of Securities Underlying Unexercised Options (#) Unexercisable		Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)		Market Value of Shares or Units of Stock That Have Not Vested ($)
Stephen Kaufer	3/2/2009	72,124	(2)	—		7.80	3/2/2016	—		—
	3/2/2009	28,314	(3)	—		9.75	3/2/2016	—		—
	2/23/2010	54,113	(2)	—		23.76	2/23/2017	—		—
	3/1/2011	53,088		17,697	(4)	20.87	3/1/2018	—		—
	11/30/2011	176,962		58,988	(5)	29.48	11/30/2018	—		—
	5/4/2012	125,000		125,000	(6)	40.20	5/4/2022	—		—
	8/28/2013	—		1,100,000	(7)	72.52	8/28/2020	—		—
Julie M.B. Bradley	10/4/2011	—		—		—	—	11,798	(8)	880,839
	5/4/2012	50,000		50,000	(6)	40.20	5/4/2022	—		—
	2/28/2013	20,776		62,325	(10)	45.54	2/28/2023	—		—
	2/21/2014	—		33,584	(11)	96.92	2/21/2024	—		—
	2/21/2014	—		—		—		5,432	(9)	405,553
Seth J. Kalvert	2/23/2010	4,129	(2)	—		23.76	2/23/2017	—		—
	3/1/2011	3,539		3,540	(4)	20.87	3/1/2018	—		—
	8/25/2011	11,798		5,899	(12)	28.86	8/25/2018	—		—
	11/30/2011	4,719		2,360	(5)	29.48	11/30/2018	—		—
	5/4/2012	25,000		25,000	(6)	40.20	5/4/2022	—		—

	2/28/2013	12,619		37,854	(10)	45.54	2/28/2023	—		—
	2/21/2014	—		24,526	(11)	96.92	2/21/2024	—		—
	2/21/2014	—		—		—		3,967	(9)	296,176
Dermot M. Halpin	11/30/2011	23,595		23,595	(5)	29.48	11/30/2018	—		—
	2/27/2013	—		19,213	(10)	45.27	2/27/2023	—		—
	2/27/2013	—		—		—	—	3,215	(13)	240,032
	2/27/2013	33,333		66,667	(14)	45.27	2/27/2020	—		—
	2/21/2014	—		7,973	(11)	96.92	2/21/2024	—		—
	2/21/2014	—		—		—	—	3,869	(9)	288,860
Barrie Seidenberg	8/8/2014	19,902	(15)	—		3.67	4/112016	—		—
	8/8/2014	204		82	(16)	11.06	2/17/2021	—		—
	8/8/2014	766		3,989	(17)	21.55	5/9/2023	—		—
	8/8/2014	—		11,215	(18)	95.29	8/8/2024	—		—
	8/8/2014	—		—		—	—	5,293	(19)	395,175
	8/8/2014	—		—		—	—	10,587	(19)	790,425

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(1) Represents the date on which the original award was approved by the appropriate compensation committee, as applicable. All awards with a grant date prior to December 20, 2011 were awarded by Expedia and were converted into equity awards for TripAdvisor common stock upon effectiveness of the Spin-Off. Certain awards granted to Ms. Seidenberg were awarded by Viator pursuant to the Viator 2010 Stock Incentive Plan which was assumed by TripAdvisor.
(2) The shares of common stock subject to these options became exercisable in four equal annual installments commencing on the first anniversary of the grant date.
(3) The shares underlying this option vested in full on March 2, 2012, the third anniversary of the grant date.
(4) The remaining shares of common stock subject to these options become exercisable on March 1, 2015.
(5) The remaining shares of common stock subject to these options become exercisable on November 29, 2015.
(6) The remaining shares of common stock subject to these options become exercisable in two equal annual installments on each of February 15, 2015 and February 15, 2016.
(7) The shares of common stock subject to this option become exercisable in two equal annual installments on each of August 28, 2017 and August 28, 2018.
(8) The shares of common stock subject to these RSUs vest on October 3, 2015.
(9) The shares of common stock subject to these RSUs vest in four equal annual installments on each of February 15, 2015, February 15, 2016, February 15, 2017, and February 15, 2018.
(10) The remaining shares of common stock subject to these options become exercisable in three equal annual installments on each of February 15, 2015, February 15, 2016 and February 15, 2017.
(11) The remaining shares of common stock subject to these options vest in four equal annual installments on each of February 15, 2015, February 15, 2016, February 15, 2017 and February 15, 2018.
(12) The remaining shares of common stock subject to these options become exercisable on August 25, 2015.
(13) The remaining shares of common stock subject to these RSUs vest in three equal annual installments on each of February 15, 2015, February 15, 2016, and February 15, 2017.
(14) The remaining shares of common stock subject to these options become exercisable on June 30, 2015, subject to and to the extent of achievement of certain performance metrics.
(15) These options were issued pursuant to the Viator 2010 Stock Incentive Plan which was assumed by TripAdvisor pursuant to the acquisition of Viator. The shares of common stock subject to these options were fully exercisable at the time they were assumed.
(16) These options were issued pursuant to the Viator 2010 Stock Incentive Plan which was assumed by TripAdvisor pursuant to the acquisition of Viator. The remaining shares of common stock subject to these options become exercisable in two equal installments on each of January 17, 2015 and February 17, 2015.
(17) These options were issued pursuant to the Viator 2010 Stock Incentive Plan which was assumed by TripAdvisor pursuant to the acquisition of Viator. The remaining shares of common stock subject to these options become exercisable in equal monthly installments commencing January 25, 2015 and ending February 25, 2017.
(18) The remaining shares of common stock subject to these options become exercisable in four equal annual installments on each of August 8, 2015, August 8, 2016, August 8, 2017, and August 8, 2018.
(19) The remaining shares of common stock subject to these RSUs vest in four equal annual installments on each of August 8, 2015, August 8, 2016, August 8, 2017, and August 8, 2018.

Option Exercises and Stock Vested

The following table sets forth all stock option awards exercised and the taxable income realized upon exercise and all other stock awards vested and the taxable income realized upon vesting by the named executive officers during 2014.

		Option Awards		Stock Awards	
Name	Exercise or Vest Date	Number of Shares Acquired on Exercise (#)(1)	Value Realized on Exercise ($)(2)	Number of Shares Acquired (#)(3)	**Value Realized on Vesting** ($)(4)
Julie M.B. Bradley	10/3/2014	—	—	11,797	1,042,737
Dermot M. Halpin	2/13/2014	11,798	727,829	—	—
	2/15/2014	—	—	1,072	98,946
	2/19/2014	11,797	757,446	—	—
	2/27/2014	6,405	351,451	—	—

(1) The amounts reported in this column represent the gross number of shares acquired upon exercise of vested options without taking into account any shares that may be withheld to cover option exercise price or applicable tax obligations.
(2) The amounts reported in this column represent the taxable income of the shares acquired upon exercise of vested stock options calculated by multiplying (i) the number of shares of TripAdvisor's common stock to which the exercise of the option is related by (ii) the difference between the market price of TripAdvisor's common stock at exercise and the exercise price of the options.
(3) The amounts reported in this column represent the gross number of shares acquired upon the vesting of RSUs without taking into account any shares that may have been withheld to satisfy applicable tax obligations.
(4) The amounts reported in this column represent the taxable income of the shares acquired upon the vesting of RSUs calculated by multiplying the gross number of vested shares subject to the RSUs by the closing price of TripAdvisor common stock on the NASDAQ Stock Market on the vesting date or if the vesting occurred on a day on which the NASDAQ Stock Market was closed for trading, the next trading day.

Non-Qualified Deferred Compensation

We do not currently have any other defined contribution or other plan that provides for deferred compensation on a basis that is not tax-qualified for our employees.

Potential Payments Upon Termination or Change in Control

Certain of our compensation plans, award agreements and employment agreements or offer letters provide our named executive officers with accelerated vesting of outstanding and unvested equity awards or severance payments in the event of a change in control of TripAdvisor and/or upon the termination of employment or material adverse modification of his or her employment with TripAdvisor under specified circumstances. These plans and agreements are described below as they apply to each named executive officer.

Change of Control Provisions of TripAdvisor's 2011 Stock and Annual Incentive Plan and Award Agreements Thereunder

The 2011 Plan provided that, unless otherwise provided in the applicable award agreement (or with respect to converted Expedia awards, only to the extent provided in the relevant award agreement), in the event of a Change in Control (as defined below), (i) any outstanding stock options held by certain of our named executive officers as of the date of the Change in Control which are not then exercisable and vested will become fully exercisable and vested, and (ii) all RSUs held by these named executive officers will be considered to be earned and payable in full and such RSUs will be settled in cash or shares of TripAdvisor common stock as promptly as practicable.

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After further evaluation of the "single trigger" acceleration provisions in the 2011 Plan, the Compensation Committees determined that future equity awards made under the 2011 Plan would not be entitled to "single trigger" acceleration and, instead, the award agreements with respect to such equity awards would provide that any acceleration of vesting of the awards would be subject to "double trigger" rather than "single trigger" acceleration. This means that a vesting of outstanding and unvested equity awards would only occur upon both a change in control of TripAdvisor and qualifying termination of employment. With respect to Mr. Kaufer's equity award granted in August 2013, Mr. Kaufer agreed to waive the "single trigger" acceleration right and instead agreed that acceleration of this award is subject to "double trigger" acceleration. This determination will not have an impact on equity awards made to our named executive officers prior to Mr. Kaufer's equity award granted in August 2013.

Stephen Kaufer Employment Agreement

In March 2014, TripAdvisor, LLC, a subsidiary of TripAdvisor, entered into an employment agreement with Mr. Kaufer. Previously, the Company did not have an employment agreement with Mr. Kaufer. The agreement has a term of five years.

Pursuant to the employment agreement, in the event that Mr. Kaufer's employment terminates by reason of his death or disability, then:

- TripAdvisor will pay Mr. Kaufer (or his estate) his base salary through the end of the month in which the termination occurs;
- any outstanding unvested equity awards that vest less frequently than annually shall be treated as though such awards vested annually; and
- any unvested stock options held by Mr. Kaufer at the time of termination shall remain exercisable through the earlier of 18 months following termination or the scheduled expiration of the option.

Pursuant to the employment agreement, in the event that Mr. Kaufer terminates his employment for Good Reason (as defined below) or is terminated by TripAdvisor without Cause (as defined below) and such termination occurs during the period commencing three months immediately prior to a Change in Control (as defined below) and ending 24 months immediately following the Change in Control, then:

- TripAdvisor will pay him cash severance in an amount equal to 24 months of his base salary;
- TripAdvisor will pay him in cash an amount equal to the premiums charged by TripAdvisor to maintain COBRA health insurance coverage for him and his eligible dependents for each month between the date of termination and 18 months thereafter;
- TripAdvisor will pay to him a lump sum in cash equal to his annual target bonus, without pro-ration or adjustment;
- all equity awards held by him that are outstanding and unvested shall immediately vest in full; and
- Mr. Kaufer will have 18 months following such date of termination of employment to exercise any vested stock options (including stock options accelerated pursuant to the terms of his employment agreement) or, if earlier, through the scheduled expiration date of the options.

Pursuant to the employment agreement, in the event that Mr. Kaufer terminates his employment for Good Reason or is terminated by TripAdvisor without Cause and such termination is not in connection with a Change in Control, then:

- TripAdvisor will continue to pay Mr. Kaufer's base salary through 12 months following the date of termination;
- TripAdvisor will consider in good faith the payment of an annual bonus on a pro rata basis and based on actual performance for the year in which termination of employment occurs, any such payment to be paid based on actual performance during the year of termination;
- TripAdvisor will pay COBRA health insurance coverage for Mr. Kaufer and his eligible dependents for 12 months following termination;

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- all equity awards held by Mr. Kaufer that otherwise would have vested during the 12-month period following termination of employment, will accelerate and become fully vested and exercisable (provided that awards that vest less frequently than annually will be treated as though such awards vested annually);
- any equity awards that do not vest in connection with a termination of employment shall remain outstanding for three months following termination, provided that there will be no additional vesting with respect to such awards unless a Change in Control occurs within such three-month period; and
- Mr. Kaufer will have 18 months following such date of termination to exercise any vested stock options (including stock options accelerated pursuant to the terms of his employment agreement) or, if earlier, through the scheduled expiration date of the options.

Receipt of the severance payments and benefits set forth above is contingent upon Mr. Kaufer executing and not revoking a separation and release in favor of TripAdvisor. Each of the payments set forth above shall be offset by the amount of any cash compensation earned by Mr. Kaufer from another employer during the 12 months following his termination of employment.

With respect to Mr. Kaufer’s equity award granted in August 2013, he agreed to waive the single trigger acceleration right upon a change in control and, instead, acceleration of this award is subject to double trigger acceleration.

Mr. Kaufer has also agreed to be restricted from competing with TripAdvisor or any of its subsidiaries or affiliates or soliciting their employees, consultants, independent contractors, customers, suppliers or business partners, among others, during the term of his employment and through the period ending 18 months after the termination of employment.

Seth J. Kalvert Employment Agreement

In October 2011, TripAdvisor, LLC entered into an employment agreement with Mr. Kalvert. Such employment agreement had a term of two years and expired in October 2013. Effective March 31, 2014, TripAdvisor, LLC entered into a new employment agreement with Mr. Kalvert, with a two-year term and on substantially the same terms as the expired employment agreement.

Pursuant to the employment agreement with Mr. Kalvert, in the event that his employment terminates by reason of his death or disability, he will be entitled to continued payment of base salary through the end of the month in which the termination occurs.

Pursuant to the employment agreement with Mr. Kalvert, in the event that he terminates his employment for Good Reason (as defined below) or is terminated by TripAdvisor without Cause (as defined below), then:

- TripAdvisor will continue to pay his base salary through the longer of the end of the term of the executive’s employment agreement and 12 months following termination (provided that such payments will be offset by any amount earned from another employer during such time period);
- TripAdvisor will consider in good faith the payment of bonuses on a pro rata basis based on actual performance for the year in which termination of employment occurs;
- TripAdvisor will pay COBRA health insurance coverage for Mr. Kalvert and his eligible dependents through the longer of the end of the term of his employment agreement and 12 months following termination;
- All equity awards held by Mr. Kalvert that otherwise would have vested during the 12-month period following termination of employment, will accelerate and become fully vested and exercisable (provided that equity awards that vest less frequently than annually shall be treated as though such awards vested annually); and
- Mr. Kalvert will have 18 months following such date of termination or employment to exercise any vested stock options (including stock options accelerated pursuant to the terms of his employment agreement) or, if earlier, through the scheduled expiration date of the options.

Receipt of the severance payments and benefits set forth above is contingent upon Mr. Kalvert executing and not revoking a separation and release in favor of TripAdvisor. In addition, Mr. Kalvert agreed to be restricted from competing with TripAdvisor or any of its subsidiaries or affiliates or soliciting their employees, consultants, independent contractors, customers, suppliers or business partners, among others, through the longer of (i) the completion of the term of the employment agreement and (ii) 12 months after the termination of employment.

Julie M.B. Bradley Employment Agreements

In October 2011, TripAdvisor, LLC entered into an agreement with Ms. Bradley. Such employment agreement had a term of two years and expired in October 2013. Effective March 31, 2014, TripAdvisor, LLC entered into a new employment agreement with Ms. Bradley, with a two-year term and on substantially the same terms as the expired employment agreement and those described above for Mr. Kalvert.

On April 2, 2015, Ms. Bradley informed TripAdvisor of her intention to resign from the Company. In order to provide for the transition of Ms. Bradley's responsibilities, TripAdvisor and Ms. Bradley have entered into a Separation Agreement, dated April 2, 2015 (the "Separation Agreement"), pursuant to which Ms. Bradley has agreed to remain with the Company on a full-time basis for a transition period, which will last until the earlier of September 30, 2015 or thirty days following her successor's start date (the "Transition Period").

Under the Separation Agreement and subject to the terms and conditions set forth therein, in exchange for Ms. Bradley's continued service during the Transition Period, the Company and Ms. Bradley have agreed to the following:

- Ms. Bradley will continue to receive her base salary until June 30, 2016;
- all equity awards held by Ms. Bradley that otherwise would have vested on or before March 31, 2016 will accelerate and become fully vested and exercisable, and Ms. Bradley will have until the date that is 18 months immediately following the end of the Transition Period to exercise any vested stock options or, if earlier, through the scheduled expiration date of the options; and
- TripAdvisor will consider in good faith the payment of an annual cash bonus on a pro rata basis based on actual performance for this year.

The employment agreement, dated as of March 31, 2014, between Ms. Bradley and the Company was superseded and replaced by the separation agreement, except to the extent that certain provisions and obligations of the employment agreement were expressly preserved and incorporated by reference into the separation agreement.

Receipt of the severance payments and benefits set forth above is contingent upon the executive executing and not revoking a separation and release in favor of TripAdvisor, Inc. In return, Ms. Bradley has agreed to be restricted from competing with TripAdvisor or any of its subsidiaries or affiliates or soliciting their employees, consultants, independent contractors, customers, suppliers or business partners, among others, through the longer of (i) the completion of the term of the employment agreement, and (ii) 12 months after the termination of employment.

Dermot M. Halpin Offer Letter

On November 29, 2011, TripAdvisor, Ltd., a subsidiary of TripAdvisor, entered into an offer letter with Dermot Halpin. Pursuant to the offer letter, TripAdvisor may terminate the employee with immediate effect if Mr. Halpin:

- convicts a serious breach of his obligations under the offer letter (provided, that TripAdvisor will provide prior notice and a reasonable opportunity to cure, if such breach is curable);
- fails to comply with a lawful instruction given to Mr. Halpin by a duly authorized individual on behalf of TripAdvisor;
- is guilty of dishonest, or other gross misconduct, or gross incompetence or willful neglect of duty;
- acts in any manner which TripAdvisor reasonably believes is likely to bring TripAdvisor into disrepute or materially prejudice the interest of the company;
- is convicted of a formal offence, other than a motoring offense which does result in imprisonment;
- is declared bankrupt, applies for or has made against him a receiving order under Section 286 Insolvency Act 1986, or have any order made against him to reach a voluntary arrangement as defined by Section 253 of the Insolvency Act of 1986;

· loses the right to work in the United States.

In the event of termination of Mr. Halpin's employment by the Company for any reason other than those noted above, then the Company will make a compensation payment to Mr. Halpin in an amount equal to nine months' base salary at the rate then payable. Mr. Halpin shall also be entitled to, at the Company's discretion, extension of health benefits or the cost of comparable benefits.

The offer letter also provides that in the event of a termination of employment for any reason other than those noted above, the Company will consider in good faith the acceleration of Mr. Halpin's November 30, 2011 stock option grant and his February 27, 2013 performance award that otherwise would have vested in the nine months post-termination. In the case of the performance award, any amount that would vest under this provision would only vest to the extent that the performance conditions are satisfied.

Simultaneously with entering into the offer letter, Mr. Halpin also entered into a Non-Disclosure, Developments and Non-Competition Agreement, pursuant to which Mr. Halpin agreed to be restricted from competing with TripAdvisor or any of its subsidiaries or affiliates or soliciting their employees, consultants, independent contractors, customers, suppliers or business partners, among others, through the longer of (i) the completion of the term of the employment agreement and (ii) nine months after the termination of employment.

Barrie Seidenberg Offer Letter

Effective August 8, 2014, TripAdvisor, LLC entered into an offer letter with Ms. Seidenberg. Pursuant to the offer letter, in the event that she terminates her employment for Good Reason or is terminated by TripAdvisor without Cause, then:

- TripAdvisor will continue to pay her base salary for a period of six months following termination;
- TripAdvisor will consider in good faith the payment of a cash amount equal to any unpaid bonus on a pro rata basis based on actual performance for the year in which termination of employment occurs;
- TripAdvisor will pay COBRA health insurance coverage for her and her eligible dependents for a period of six months following termination;
- any portion of the unvested in-the-money equity awards assumed by TripAdvisor in connection with the acquisition of the Viator will accelerate and become fully vested and exercisable, and
- the equity awards issued to Ms. Seidenberg in connection with her hire or that otherwise would have vested during the 12-month period following termination of employment, will accelerate and become fully vested and exercisable (provided that equity awards that vest less frequently than annually shall be treated as though such awards vested annually).

Simultaneously with entering into the offer letter, Ms. Seidenberg also entered into a Non-Disclosure, Developments and Non-Competition Agreement, pursuant to which Ms. Seidenberg agreed to be restricted from competing with TripAdvisor or any of its subsidiaries or affiliates or soliciting their employees, consultants, independent contractors, customers, suppliers or business partners, among others, through the longer of (i) the completion of the term of the employment agreement and (ii) 12 months after the termination of employment.

Employment Agreement Definitions

Under the employment agreements with Ms. Bradley and Messrs. Kaufer and Kalvert and the offer letter with Ms. Seidenberg, "Cause" means: (i) the plea of guilty or nolo contendere to, conviction for, a felony offense by the executive; provided, however, that after indictment, TripAdvisor may suspend the executive from rendition of services but without limiting or modifying in any other way TripAdvisor's obligations under the employment agreement, (ii) a material breach by the executive of a fiduciary duty owed to TripAdvisor or its subsidiaries, (iii) material breach by the executive of certain covenants of the employment agreement, (iv) the willful or gross neglect by the executive of the material duties required by the employment agreement and (v) a knowing and material violation by the executive of any TripAdvisor policy pertaining to ethics, legal compliance, wrongdoing or conflicts of interest that, in the cases of the conduct described in clauses (iv) and (v) above, if curable, is not cured by the executive within 30 days after the executive is provided with written notice thereof.

Under the employment agreements with our named executive officers and under the 2011 Plan, “Change in Control” shall mean any of the following events:

(i)The acquisition by any individual entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), other than Barry Diller, Liberty Media Corporation, and their respective Affiliates (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of equity securities of the Company representing more than 50% of the voting power of the then outstanding equity securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition by the Company, (B) any acquisition directly from the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (D) any acquisition pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii); or

(ii)Individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date, whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii)Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the purchase of assets or stock of another entity (a "Business Combination"), in each case, unless immediately following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 50% of the then outstanding combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or equivalent governing body, if applicable) of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Voting Securities, (B) no Person (excluding Barry Diller, LMC, and their respective affiliates, any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) will beneficially own, directly or indirectly, more than a majority of the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership of the Company existed prior to the Business Combination and (C) at least a majority of the members of the board of directors (or equivalent governing body, if applicable) of the entity resulting from such Business Combination will have been members of the Incumbent Board at the time of the initial agreement, or action of the Board, providing for such Business Combination; or

(iv) Approval by our stockholders of a complete liquidation or dissolution of the Company.

Under the employment agreements with Ms. Bradley and Messrs. Kaufer and Kalvert and the offer letter with Ms. Seidenberg, "Good Reason" means the occurrence of any of the following without the executive's prior written consent: (A) TripAdvisor's material breach of any material provision of the employment agreement, (B) the material reduction in the executive's title, duties, reporting responsibilities or level of responsibilities in such executive's position at TripAdvisor, (C) the material reduction in the executive's base salary or the executive's total annual compensation opportunity, or (D) the relocation of the executive's principal place of employment more than 50 miles outside the Boston metropolitan area; provided that in no event shall the executive's resignation be for "Good Reason" unless (x) an event or circumstance set forth in clauses (A) through (D) shall have occurred and the executive provides TripAdvisor with written notice thereof within 30 days after the executive has knowledge of the occurrence or existence of such event or circumstance, which notice specifically identifies the event or circumstance that the executive believes constitutes Good Reason, (y) TripAdvisor fails to correct the event or circumstance so identified within 30 days after receipt of such notice, and (z) the executive resigns within 90 days after the date of delivery of the notice referred to in clause (x) above.

For a description and quantification of change in control payments and benefits for our named executive officers, please see the section below entitled "Potential Payments Upon Termination of Change in Control."

Estimated Potential Incremental Payments

The table below reflects the estimated amount of incremental compensation payable to each of our named executive officers upon termination of his or her employment in the following circumstances: (i) a termination of employment by TripAdvisor without Cause not in connection with a Change in Control, (ii) resignation by him or her for Good Reason not in connection with a Change in Control, (iii) a Change in Control or (iv) a termination of employment by TripAdvisor without Cause or by him or her for Good Reason in connection with a Change in Control.

The amounts shown in the table assume that the triggering event was effective as of December 31, 2014 and that the price of TripAdvisor common stock on which certain of the calculations are based was the closing price of $74.66 per share on the NASDAQ Stock Market on December 31, 2014, the last trading day in 2014. These amounts are estimates of the incremental amounts that would be paid out to each named executive officer upon such triggering event. The actual amounts to be paid out can only be determined at the time of the triggering event, if any.

Name and Benefit	Termination Without Cause		Resignation for Good Reason	Change in Control	Termination w/o Cause or for Good Reason in connection with Change in Control
Stephen Kaufer					
Cash Severance	1,200,000	(1)	1,200,000	—	1,500,000
Equity Awards (vesting accelerated)	5,770,749		5,770,749	7,924,299	10,278,499
Health & Benefits	19,249		19,249	—	28,873
Total estimated value	6,989,998		6,989,998	7,924,299	11,807,372
Julie M.B. Bradley (2)					
Cash Severance	732,068	(1)	732,068	—	732,068
Equity Awards (vesting accelerated)	2,448,778		2,448,778	4,418,992	4,824,545
Health & Benefits	24,061		24,061	—	24,061
Total estimated value	3,204,907		3,204,907	4,418,992	5,580,674
Seth J. Kalvert					
Cash Severance	673,750	(1)	673,750	—	673,750
Equity Awards (vesting accelerated)	1,439,515		1,439,515	2,531,175	2,827,352
Health & Benefits	24,061		24,061	—	24,061
Total estimated value	2,137,326		2,137,326	2,531,175	3,525,163
Dermot M. Halpin (3)					
Cash Severance	373,819		—	—	373,819
Equity Awards (vesting accelerated)	—		—	—	2,159,584
Repatriation	138,939		—	—	138,939
Health & Benefits (4)	55,235		—	—	55,235
Total estimated value	567,993		—	—	2,727,577
Barrie Seidenberg					
Cash Severance	228,125	(1)	228,125	—	228,125
Equity Awards (vesting accelerated)	513,546		513,546	—	1,402,672

Health & Benefits	9,624	9,624	—	9,624
Total estimated value	751,295	751,295	—	1,640,421

(1) Represents (i) base salary which the Company is required to pay for a certain period of time pursuant to the employment arrangement with the executive and (ii) target bonus for 2014, the payment of which the Company must consider in good faith.

(2) Amounts shown represent the amounts payable under Ms. Bradley’s employment agreement dated March 31, 2014, the terms of which were superseded and replaced by terms provided for in the Separation Agreement.

(3) Mr. Halpin’s compensation has been converted from GBP to USD at an exchange rate of 1.6484 USD : 1 GBP.

(4) Assumes extension of benefits or the cost of benefits for a period of nine months following termination, the provision or payment of which is at the Company’s discretion.

Equity Compensation Plan Information

The following table provides information as of December 31, 2014 regarding shares of common stock that may be issued under TripAdvisor's equity compensation plans consisting of the 2011 Plan, the Viator Inc. 2010 Stock Incentive Plan, and the Non-Employee Director Deferred Compensation Plan.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)		Weighted Average exercise price of outstanding options, warrants and rights (b)		Number of securities remaining available for future issuance under equity compensation plan (excluding securities referenced in column (a)) (c)
Equity compensation plans approved by security holders	10,197,642	(1)	44.47	(2)	17,691,977
Equity compensation plans not approved by security holders	N/A		N/A		N/A
Total	10,197,642		—		17,691,977

(1) Includes (i) 8,648,940 shares of common stock issuable upon the exercise of outstanding options, of which 84,036 shares were granted pursuant to options under the Viator, Inc. 2010 Stock Incentive Plan, (ii) 1,449,259 shares of common stock issuable upon the vesting of RSUs, and (iii) 99,443 shares of common stock issuable upon exercise of options granted pursuant to the Non-Employee Director Deferred Compensation Plan.
(2) Since RSUs do not have any exercise price, such units are not included in the weighted average exercise price calculation.

DIRECTOR COMPENSATION

Overview

The Board of Directors sets non-employee director compensation, which is designed to provide competitive compensation necessary to attract and retain high quality non-employee directors and to encourage ownership of TripAdvisor common stock to further align their interests with those of our stockholders. Each non-employee director of TripAdvisor is eligible to receive the following compensation:

- an annual cash retainer of $50,000, paid in equal quarterly installments;
- an RSU award with a value of $150,000 (based on the closing price of TripAdvisor's common stock on the NASDAQ Stock Market on the date of grant), upon such director's initial election to office and on December 15th of each year, subject to vesting in three equal installments commencing on the first anniversary of the grant date and, in the event of a Change in Control (as defined in the 2011 Plan), full acceleration of vesting;
- an annual cash retainer of $20,000 for each member of the Audit Committee (including the Chairman) and $15,000 for each member of the Compensation Committees (including the Chairperson); and
- an additional annual cash retainer of $10,000 for each of the Chairman of the Audit Committee and the Chairperson of the Compensation Committees.

We also pay reasonable travel and accommodation expenses of the non-employee directors in connection with their participation in meetings of the Board of Directors.

TripAdvisor employees do not receive compensation for services as directors. Accordingly, Mr. Kaufer does not receive any compensation for his service as a director.

Non-Employee Director Deferred Compensation Plan

Under TripAdvisor's Non-Employee Director Deferred Compensation Plan, the non-employee directors may defer all or a portion of their directors' fees. Eligible directors who defer their directors' fees may elect to have such deferred fees (i) applied to the purchase of share units representing the number of shares of TripAdvisor common stock that could have been purchased on the date such fees would otherwise be payable or (ii) credited to a cash fund. If any dividends are paid on TripAdvisor common stock, dividend equivalents will be credited on the share units. The cash fund will be credited with deemed interest at an annual rate equal to the average "bank prime loan" rate for such year identified in the U.S. Federal Reserve Statistical Release. Upon termination of service as a director of TripAdvisor, a director will receive (1) with respect to share units, such number of shares of TripAdvisor common stock as the share units represent and (2) with respect to the cash fund, a cash payment. Payments upon termination will be made in either one lump sum or up to five installments, as elected by the eligible director at the time of the deferral election.

2014 Non-Employee Director Compensation Table

The following table shows the compensation information for the non-employee directors of TripAdvisor for the year ended December 31, 2014:

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)(3)	Total ($)
Gregory B. Maffei	65,000	149,939	214,939
Jonathan F. Miller	70,000	149,939	219,939
Dipchand (Deep) Nishar	50,000	149,939	199,939
Jeremy Philips	65,000	149,939	214,939
Spencer M. Rascoff	70,000	149,939	219,939
Christopher W. Shean	50,000	149,939	199,939
Sukhinder Singh Cassidy	75,000	149,939	224,939
Robert S. Wiesenthal	80,000	149,939	229,939

(1) The amounts reported in this column represent the annual cash retainer amounts for services in 2014, including fees with respect to which directors elected to defer and credit towards the purchase of share units representing shares of TripAdvisor common stock pursuant to the Company's Non-Employee Director Deferred Compensation Plan.

(2) Stock awards consist of RSUs. The amounts reported in this column represent the aggregate grant date fair value of the stock awards computed in accordance with GAAP. These amounts reflect an estimate of the grant date fair value and may not correspond to the actual value that will be recognized by the non-employee directors from their awards.

(3) As of December 31, 2014, Messrs. Maffei and Shean each held 5,556 unvested RSUs, Messrs. Miller, Philips and Wiesenthal and Ms. Singh Cassidy each held 4,504 unvested RSUs and Messrs. Nishar and Rascoff each held 4,643 unvested RSUs.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Beneficial Ownership Table

The following table presents information as of April 20, 2015 relating to the beneficial ownership of TripAdvisor's capital stock by (i) each person or entity known to TripAdvisor to own beneficially more than 5% of the outstanding shares of TripAdvisor's common stock or Class B common stock, (ii) each director and director nominee of TripAdvisor, (iii) the named executive officers and (iv) our executive officers and directors, as a group. In each case, except as otherwise indicated in the footnotes to the table, the shares are owned directly by the named owners, with sole voting and dispositive power. Unless otherwise indicated, beneficial owners listed in the table may be contacted at TripAdvisor's corporate headquarters at 141 Needham Street, Newton, Massachusetts 02464.

Shares of TripAdvisor Class B common stock may, at the option of the holder, be converted on a one-for-one basis into shares of TripAdvisor common stock; therefore, the common stock column below includes shares of Class B common stock held by each such listed person, entity or group, and the beneficial ownership percentage of each such listed person assumes the conversion of all Class B common stock into common stock. For each listed person, entity or group, the number of shares of TripAdvisor common stock and Class B common stock and the percentage of each such class listed also include shares of common stock and Class B common stock that may be acquired by such person, entity or group on the conversion or exercise of equity securities, such as stock options, which can be converted or exercised, and RSUs that have or will have vested, within 60 days of April 20, 2015, but do not assume the conversion or exercise of any equity securities (other than the conversion of the Class B common stock) owned by any other person, entity or group.

The percentage of votes for all classes of TripAdvisor's capital stock is based on one vote for each share of common stock and ten votes for each share of Class B common stock. There were 130,707,574 shares of common stock and 12,799,999 shares of Class B common stock outstanding on April 20, 2015.

Beneficial Owner	Common Stock Shares		%	Class B Common Stock Shares		%	Percent (%) of Votes (All Classes)
5% Beneficial Owners							
Liberty TripAdvisor Holdings, Inc. 12300 Liberty Boulevard Englewood, CO 80112	30,959,751	(1)	21.6	12,799,999	(1)	100	56.5
BlackRock, Inc. 55 East 52nd Street New York, NY 10022	10,752,245	(2)	7.5	0		0	4.2
Baillie Gifford & Co Calton Square 1 Greenside Row Edinburgh EH1 3AN Scotland, UK	9,414,188	(3)	6.6	0		0	3.6
Fidelity Management & Research Company 245 Summer Street Boston, MA 02210	9,150,544	(4)	6.4	0		0	3.5
The Vanguard Group 100 Vanguard Blvd Malvern, PA 19355	8,233,726	(5)	5.7	0		0	3.2
Prudential Financial, Inc. 751 Broad Street Newark, NJ 07102-3777	7,466,042	(6)	5.2	0		0	2.9
Named Executive Officers and Directors							
Gregory B. Maffei	9,235	(7)	*	0		0	*
Stephen Kaufer	906,504	(8)	*	0		0	*
Jonathan F. Miller	11,133		*	0		0	*
Dipchand (Deep) Nishar	6,318		*	0		0	*
Jeremy Philips	11,133		*	0		0	*
Spencer M. Rascoff	5,928		*	0		0	*
Christopher W. Shean	7,297		*	0		0	*
Sukhinder Singh Cassidy	11,133		*	0		0	*
Robert S. Wiesenthal	11,133		*	0		0	*
Julie M.B. Bradley	148,989	(9)	*	0		0	*
Seth J. Kalvert	100,997	(10)	*	0		0	*
Dermot M. Halpin	62,617	(11)	*	0		0	*
Barrie Seidenberg	21,721	(12)	*	0		0	*
All executive officers, directors and director nominees as a group (13 persons)	1,314,138	(13)	*	0		0	*

* The percentage of shares beneficially owned does not exceed 1% of the class.

(1) Based on information contained in a Schedule 13D/A filed with the SEC on August 29, 2014 by Liberty TripAdvisor Holdings, Inc. ("LTRIP"). Consists of 18,159,752 shares of Common Stock and 12,799,999 shares of Class B Common Stock owned by LTRIP. Excludes shares beneficially owned by the executive officers and directors of LTRIP, as to which LTRIP disclaims beneficial ownership.

(2) Based solely on information contained in a Schedule 13G filed with the SEC on February 6, 2015 by BlackRock, Inc. According to the Schedule 13G, BlackRock beneficially owns and has sole dispositive power with respect to 10,752,245 shares but only has sole voting power with respect to 8,699,082 shares.

(3)

Based solely on information contained in a Schedule 13G/A filed with the SEC on February 10, 2015 by Ballie Gifford & Co. (“BG&C”). According to the Schedule 13G/A, BG&C beneficially owns and has sole dispositive power with respect to 9,414,188 shares but only has sole voting power with respect to 6,657,342 shares.

(4) Based solely on information contained in a Schedule 13G/A filed with the SEC on February 13, 2015 by FMR LLC, the parent holding company of Fidelity Management & Research Company (“Fidelity”). According to the Schedule 13G/A, Edward C. Johnson 3d and FMR LLC, through its control of Fidelity, and the Fidelity funds (“Funds”), each beneficially owns and has sole power to dispose of 9,150,544 shares owned by the Funds. Neither FMR LLC nor Edward C. Johnson 3d, Chairman of FMR LLC, has the sole power to vote or direct the voting of the shares owned directly by the Fidelity Funds, which power resides with the Funds’ Boards of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the Funds’ Boards of Trustees.

(5) Based solely on information contained in a Schedule 13G/A filed with the SEC on February 10, 2015 by The Vanguard Group (“Vanguard”). According to the Schedule 13G/A, Vanguard beneficially owns 8,233,726 shares but only has sole voting power with respect to 192,063 shares and sole dispositive power with respect to 8,049,953 shares.
(6) Based solely on information contained in a Schedule 13G filed with the SEC on February 13, 2015 by Prudential Financial, Inc. (“Prudential”). According to the Schedule 13G, Prudential (through its subsidiaries Jennison Associates, LLC and Quantitative Management Associates, LLC) beneficially owns 7,466,042 shares, has shared dispositive power with respect to 6,907,248 shares, has sole dispositive power with respect to 558,794 shares, has shared voting power with respect to 4,033,353 shares and has sole voting power with respect 558,794 shares.
(7) Includes 1,938 shares of common stock that are held by the Maffei Foundation.
(8) Includes options to purchase 622,835 shares of common stock that are currently exercisable or will be exercisable within 60 days of April 20, 2015.
(9) Includes options to purchase 124,947 shares of common stock that are currently exercisable or will be exercisable within 60 days of April 20, 2015.
(10) Includes options to purchase 96,594 shares of common stock that are currently exercisable or will be exercisable within 60 days of April 20, 2015.
(11) Includes options to purchase 60,327 shares of common stock that that are currently exercisable or will be exercisable within 60 days of April 20, 2015.
(12) Includes options to purchase 21,721 shares of common stock that that are currently exercisable or will be exercisable within 60 days of April 20, 2015.
(13) Includes options to purchase 926,118 shares of common stock that that are currently exercisable or will be exercisable within 60 days of April 20, 2015.

Section 16(a) Beneficial Ownership Reporting Compliance

Pursuant to Section 16(a) of the Exchange Act, TripAdvisor officers and directors and persons who beneficially own more than 10% of a registered class of TripAdvisor’s equity securities are required to file initial statements of beneficial ownership (Form 3) and statements of changes in beneficial ownership (Forms 4 and 5) with the SEC. Such persons are required by the rules of the SEC to furnish TripAdvisor with copies of all such forms they file. Based solely on a review of the copies of such forms furnished to TripAdvisor and/or written representations that no additional forms were required, TripAdvisor believes that all of its directors and officers complied with all the reporting requirements applicable to them with respect to transactions during 2014.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Review and Approval or Ratification of Related Person Transactions

In general, we will enter into or ratify a “related person transaction” only when it has been approved by the Audit Committee of the Board of Directors, in accordance with its written charter. Related persons include our executive officers, directors, 5% or more beneficial owners of our common stock, immediate family members of these persons and entities in which one of these persons has a direct or indirect material interest. Related person transactions are transactions that meet the minimum threshold for disclosure in the proxy statement under the relevant SEC rules (generally, transactions involving amounts exceeding $120,000 in which a related person or entity has a direct or indirect material interest). When a potential related person transaction is identified, management presents it to the Audit Committee to determine whether to approve or ratify. When determining whether to approve, ratify, disapprove or reject any related person transaction, the Audit Committee considers all relevant factors, including the extent of the related person’s interest in the transaction, whether the terms are commercially reasonable and whether the related person transaction is consistent with the best interests of TripAdvisor and our stockholders.

The legal and accounting departments work with business units throughout TripAdvisor to identify potential related person transactions prior to execution. In addition, we take the following steps with regard to related person transactions:

- On an annual basis, each director, director nominee and executive officer of TripAdvisor completes a Director and Officer Questionnaire that requires disclosure of any transaction, arrangement or relationship with us during the last fiscal year in which the director or executive officer, or any member of his or her immediate family, had a direct or indirect material interest.
- Each director, director nominee and executive officer is expected to promptly notify our legal department of any direct or indirect interest that such person or an immediate family member of such person had, has or may have in a transaction in which we participate.
- TripAdvisor monitors its accounts payable, accounts receivable and other databases to identify any other potential related person transactions that may require disclosure.
- Any reported transaction that our legal department determines may qualify as a related person transaction is referred to the Audit Committee.

If any related person transaction is not approved, the Audit Committee may take such action as it may deem necessary or desirable in the best interests of TripAdvisor and our stockholders.

Related Person Transactions

Relationship between Expedia and TripAdvisor

Upon consummation of the Spin-Off, Expedia was considered a related party under GAAP based on a number of factors, including, among others, common ownership of our shares and those of Expedia. However, we no longer consider Expedia a related party. For purposes of governing certain of the ongoing relationships between us and Expedia at and after the Spin-Off, and to provide for an orderly transition, we and Expedia entered into various agreements at the time of the Spin-Off, under which TripAdvisor has satisfied its obligations. However, TripAdvisor continues to be subject to certain post-spin obligations under the Tax Sharing Agreement between TripAdvisor and Expedia.

Under the Tax Sharing Agreement, we are generally required to indemnify Expedia for any taxes resulting from the Spin-Off (and any related interest, penalties, legal and professional fees, and all costs and damages associated with related stockholder litigation or controversies) to the extent such amounts resulted from (i) any act or failure to act by us described in the covenants in the tax sharing agreement, (ii) any acquisition of our equity securities or assets or those of a member of our group, or (iii) any failure of the representations with respect to us or any member of our group to be true or any breach by us or any member of our group of any covenant, in each case, which is contained in the separation documents or in the documents relating to the IRS private letter ruling and/or the opinion of counsel.

Relationship between Liberty, LTRIP and TripAdvisor

On August 27, 2014, the entire beneficial ownership of our common stock and Class B common stock held by Liberty was transferred to LTRIP. Simultaneously, Liberty, LTRIP's former parent company, distributed, by means of a dividend, to the holders of its Liberty Ventures common stock, Liberty's entire equity interest in LTRIP. As a result of the Liberty Spin-Off, effective August 27, 2014 LTRIP became a separate, publicly traded company and 100% of Liberty's interest in TripAdvisor was held by LTRIP.

As a result of these transactions, as of the record date, LTRIP beneficially owned 18,159,752 shares of our common stock and 12,799,999 shares of our Class B common stock, which shares constitute 13.9% of the outstanding shares of common stock and 100% of the outstanding shares of Class B common stock. Assuming the conversion of all of

LTRIP's shares of Class B common stock into common stock, LTRIP would beneficially own 21.6% of the outstanding common stock (calculated in accordance with Rule 13d-3). Because each share of Class B common stock is generally entitled to ten votes per share and each share of common stock is entitled to one vote per share, LTRIP may be deemed to beneficially own equity securities representing approximately 56.5% of our voting power. As a result, LTRIP is effectively able to control the outcome of all matters submitted to a vote or for the consent of TripAdvisor's stockholders (other than with respect to the election by the holders of TripAdvisor common stock of 25% of the members of TripAdvisor's Board of Directors and matters as to which Delaware law requires a separate class vote).

WHERE YOU CAN FIND MORE INFORMATION AND INCORPORATION BY REFERENCE

TripAdvisor files annual, quarterly and current reports, proxy statements and other information with the SEC. TripAdvisor's filings are available to the public over the Internet at the SEC's website at http://www.sec.gov. You may also read and copy any document that TripAdvisor files with the SEC at its public reference room in Washington, D.C. located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. You can also obtain copies of those documents at prescribed rates by writing to the Public Reference Section of the SEC at that address. TripAdvisor's SEC filings are also available to the public from commercial retrieval services.

The SEC allows TripAdvisor to "incorporate by reference" the information that TripAdvisor's files with the SEC, which means that TripAdvisor can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this proxy statement. TripAdvisor incorporates by reference its Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC on February 17, 2015.

ANNUAL REPORTS

TripAdvisor's Annual Report to Stockholders for 2015, which includes our Annual Report on Form 10-K for the year ended December 31, 2014 (not including exhibits), is available at http://ir.tripadvisor.com/annual-proxy.cfm. Upon written request to TripAdvisor, Inc., 141 Needham Street, Newton, Massachusetts 02464, Attention: Secretary, TripAdvisor will provide, without charge, an additional copy of TripAdvisor's 2014 Annual Report on Form 10-K. TripAdvisor will furnish any exhibit contained in the Annual Report on Form 10-K upon payment of a reasonable fee. Stockholders may also review a copy of the Annual Report on Form 10-K (including exhibits) by accessing TripAdvisor's corporate website at www.tripadvisor.com or the SEC's website at www.sec.gov.

PROPOSALS BY STOCKHOLDERS FOR PRESENTATION AT THE

2016 ANNUAL MEETING

Stockholders who wish to have a proposal considered for inclusion in TripAdvisor's proxy materials for presentation at the 2016 Annual Meeting of Stockholders must ensure that their proposal is received by TripAdvisor no later than December 29, 2015 at its principal executive offices at 141 Needham Street, Newton, Massachusetts 02464, Attention: Secretary. The proposal must be made in accordance with the provisions of Rule 14a-8 of the Exchange Act. Stockholders who intend to present a proposal at the 2016 Annual Meeting of Stockholders without inclusion of the proposal in TripAdvisor's proxy materials are required to provide notice of such proposal to TripAdvisor at its principal executive offices no later than March 11, 2016. TripAdvisor reserves the right to reject, rule out of order or take other appropriate action with respect to any proposal that does not comply with these and other applicable requirements.

DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING AN ADDRESS

If you share an address with any of our other stockholders, your household might receive only one copy of the Proxy Statement, Annual Report and Notice, as applicable. To request individual copies of any of these materials for each stockholder in your household, please contact TripAdvisor, Inc., 141 Needham Street, Newton, Massachusetts 02464, Attention: Secretary, or call us at 617-670-6300. We will deliver copies of the Proxy Statement, Annual Report and/or Notice promptly following your request. To ask that only one copy of any of these materials be mailed to your household, please contact your broker.

Newton, Massachusetts

April 28, 2015

TRIPADVISOR, INC.

141 NEEDHAM STREET

NEWTON, MA 02464

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. 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.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

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 the day before the cut-off date or meeting date. 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:

M60335-Z60597 KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

TRIPADVISOR, INC.

	For All	Withhold All	For All Except	To withhold authority to vote for any individual nominee(s), mark “For All Except” and write the number(s) of the nominee(s) on the line below.
The Board of Directors recommends you vote FOR proposals 1, 2 and 3				
1. Election of Directors	..	..	..	

01) Gregory B. Maffei	06) Spencer M. Rascoff
02) Stephen Kaufer	07) Christopher W. Shean
03) Jonathan F. Miller	08) Sukhinder Singh Cassidy

03) Jonathan F. Miller 09) 03) Jonathan F. Miller
04) 07) Robert S. Wiesenthal Robert S. 07) Robert S. Wiesenthal
Dipchand Wiesenthal
(Deep) 04) Dipchand (Deep) 07) 04) Dipchand (Deep)
Nishar Nishar Robert S. Nishar 07)
Robert Wiesenthal
S.
Wiesenthal

05)
Jeremy
Philips

Each to serve for a one-year term from the date of his or her election and until such director's successor is elected or until such director's earlier resignation or removal.

	For	Against	Abstain
2. To ratify the appointment of KPMG LLP as TripAdvisor, Inc.'s independent registered public accounting firm for 2015.	¨	¨	¨
3. To approve, on an advisory basis, the compensation of our named executive officers as disclosed in the Proxy Statement.	¨	¨	¨

Note: In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting or any adjournment or postponement thereof.

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

Please indicate if you plan to attend this meeting. ¨ ¨

Yes No

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

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

The Combined Document is available at www.proxyvote.com .

M60336-Z60597

TRIPADVISOR, INC.

Annual Meeting of Stockholders

June 18, 2015 1:30 PM

This proxy is solicited by the Board of Directors

The stockholder(s) hereby appoint(s) Stephen Kaufer and Seth J. Kalvert, or either of them, as proxies, each with the power to appoint their substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of common stock of TRIPADVISOR, INC., that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 1:30 PM, Eastern Time on June 18, 2015, at the offices of Goodwin Procter LLP, 53 State Street, Boston, MA 02109, and any adjournment or postponement thereof.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.

Address Changes/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