

Genie Energy Ltd.  
Form DEF 14A  
April 06, 2016  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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SCHEDULE 14A

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

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12

Genie Energy Ltd.

(Name of Registrant as Specified In Its Charter)

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- No fee required.
- Fee computed on table below per Exchange Act Rule 14a-6(i)(1), and 0-11.
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- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

GENIE ENERGY LTD.

520 Broad Street  
Newark, New Jersey 07102  
(973) 438-3500

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TIME AND DATE: 10:30 a.m., local time, on Wednesday, May 4, 2016.

PLACE: Genie Energy Ltd.'s offices at 520 Broad Street, 4th Floor, Newark, New Jersey 07102.

- ITEMS OF BUSINESS:
1. To elect five directors, each for a term of one year.
  2. To ratify the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for the Fiscal Year ending December 31, 2016.
  3. To consider certain stockholder proposal regarding formation of an ad hoc Board committee to evaluate the impact of Company operations in certain areas.
  4. To transact other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

RECORD DATE: You can vote if you were a stockholder of record on March 11, 2016.

PROXY VOTING: You can vote either in person at the Annual Meeting or by proxy without attending the meeting. See details under the heading "How do I Vote?"

ANNUAL MEETING ADMISSION: If you are a stockholder of record, a form of personal photo identification must be presented in order to be admitted to the Annual Meeting. If your shares are held in the name of a bank, broker or other holder of record, you must bring a brokerage statement or other written proof of ownership as of March 11, 2016 with you to the Annual Meeting, as well as a form of personal photo identification.

ANNUAL MEETING DIRECTIONS: You may request directions to the Annual Meeting via email at [invest@genie.com](mailto:invest@genie.com) or by calling Genie Investor Relations at (973) 438-3848.

Important Notice Regarding the Availability of Proxy Materials for the genie energy ltd. Stockholders Meeting to be Held on may 4, 2016: The Notice of Annual Meeting and Proxy Statement and the 2015 Annual Report are available at:

[www.genie.com/ir](http://www.genie.com/ir)

BY ORDER OF THE BOARD OF DIRECTORS

Joyce Mason  
Corporate Secretary

Newark, New Jersey  
April 6, 2016

GENIE ENERGY LTD.

520 Broad Street  
Newark, New Jersey 07102  
(973) 438-3500

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## PROXY STATEMENT

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### GENERAL INFORMATION

#### Introduction

This Proxy Statement is being furnished to the stockholders of record of Genie Energy Ltd., a Delaware corporation (the “Company” or “Genie”) as of the close of business on March 11, 2016, in connection with the solicitation by the Company’s Board of Directors (the “Board of Directors”) of proxies for use in voting at the Company’s Annual Meeting of Stockholders (the “Annual Meeting”). The Annual Meeting will be held on Wednesday, May 4, 2016 at 10:30 a.m., local time, at Genie Energy Ltd.’s offices at 520 Broad Street, 4th Floor, Newark, New Jersey 07102. The shares of the Company’s Class A common stock, par value \$0.01 per share (“Class A Common Stock”), Class B common stock, par value \$0.01 per share (“Class B Common Stock”) and the Series 2012-A Preferred Stock (“Preferred Stock”) present at the Annual Meeting or represented by the proxies received by Internet or mail (properly marked, dated and executed) and not revoked, will be voted at the Annual Meeting. This Proxy Statement is being mailed to the Company’s stockholders starting on or about April 8, 2016.

#### Solicitation and Voting Procedures

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

The close of business on Friday, March 11, 2016, has been fixed as the record date (the “Record Date”) for determining the holders of shares of Class A Common Stock, Class B Common Stock and Preferred Stock entitled to notice of, and to vote at, the Annual Meeting. As of the close of business on the Record Date, the Company had 26,955,584, shares issued and outstanding and entitled to vote at the Annual Meeting, consisting of 1,574,326 shares of Class A Common Stock, 23,058,559 shares of Class B Common Stock and 2,322,699 shares of Preferred Stock.

Stockholders are entitled to three votes for each share of Class A Common Stock held by them and one-tenth of one vote for each share of Class B Common Stock and each share of Preferred Stock held by them. The holders of Class A Common Stock, Class B Common Stock and Preferred Stock will vote as a single body on all matters presented to the stockholders. There are no dissenters’ rights of appraisal in connection with any proposal.

#### How do I Vote?

You can vote either in person at the Annual Meeting or by proxy without attending the meeting.

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Beneficial holders of the Company's Class A Common Stock, Class B Common Stock and Preferred Stock as of the Record Date whose stock is held of record by another party should receive voting instructions from their bank, broker or other holder of record. If a stockholder's shares are held through a nominee and the stockholder wants to vote at the meeting, such stockholder must obtain a proxy from the nominee record holder authorizing such stockholder to vote at the Annual Meeting.

Stockholders of record should receive a paper copy of our proxy materials and may vote by following the instructions on the proxy card that is included with the proxy materials. As set forth on the proxy card, there are two convenient methods for holders of record to direct their vote by proxy without attending the Annual Meeting: on the

Internet or by mail. To vote by Internet, visit [www.voteproxy.com](http://www.voteproxy.com). To vote by mail, mark, date and sign the enclosed proxy card and return it in the postage-paid envelope provided. Holders of record may also vote by attending the Annual Meeting and voting by ballot.

All shares for which a proxy has been duly executed and delivered (by Internet or mail) and not revoked will be voted at the Annual Meeting. If a stockholder of record signs and returns a proxy card but does not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board of Directors. If any other matters are properly presented at the Annual Meeting for consideration and if you have voted your shares by Internet or mail, the persons named as proxies will have the discretion to vote on those matters for you. On the date of filing this Proxy Statement with the SEC, the Board of Directors did not know of any other matter to be raised at the Annual Meeting.

#### How Can I Change My Vote?

A stockholder of record can revoke his, her or its proxy at any time before it is voted at the Annual Meeting by delivering to the Company (to the attention of Joyce J. Mason, Esq., Corporate Secretary) a written notice of revocation or by executing a later-dated proxy by Internet or mail, or by attending the Annual Meeting and voting in person.

If your shares are held in the name of a bank, broker, or other nominee, you must obtain a proxy executed in your favor from the holder of record (that is, your bank, broker, or nominee) to be able to vote at the Annual Meeting.

#### Quorum and Vote Required

The presence at the Annual Meeting of a majority of the voting power of the Company's outstanding Class A Common Stock, Class B Common Stock and Preferred Stock (voting together), either in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Abstention votes and any broker non-votes (i.e., votes withheld by brokers on non-routine proposals in the absence of instructions from beneficial owners) will be counted as present or represented at the Annual Meeting for purposes of determining whether a quorum exists.

The affirmative vote of a majority of the voting power present (in person or by proxy) at the Annual Meeting, and casting a vote on the matter, will be required for the approval of the election of directors (Proposal No. 1), for the ratification of the appointment of the Company's independent registered public accounting firm (Proposal No. 2), and for the approval of the stockholder proposal regarding formation of an ad hoc Board committee to evaluate the impact of Company operations in certain areas (Proposal No. 3). This means that the number of votes cast "for" a director nominee must exceed the number of votes cast "against" that nominee. Abstentions are not counted as votes "for" or "against" the proposal.

If you are a beneficial owner whose shares are held of record by a broker, you must instruct the broker how to vote your shares. If you do not provide voting instructions, your shares will not be voted on any proposal on which the broker does not have discretionary authority to vote. This is called a "broker non-vote." In these cases, the broker can register your shares as being present at the Annual Meeting for purposes of determining the presence of a quorum but will not be able to vote on those matters for which specific authorization is required under the rules of the New York Stock Exchange. In the event of a broker non-vote or an abstention with respect to any proposal coming before the Annual Meeting, the shares represented by the relevant proxy will not be deemed to be present and entitled to vote on those proposals for the purpose of determining the total number of shares of which a majority is required for adoption, having the practical effect of reducing the number of affirmative votes required to achieve a majority vote for such matters by reducing the total number of shares from which a majority is calculated.

If you are a beneficial owner whose shares are held of record by a broker, your broker has discretionary voting authority under NYSE rules to vote your shares on the ratification of the Company's independent registered public accounting firm (Proposal No. 2), even if the broker does not receive voting instructions from you. However, your

broker does not have discretionary authority to vote on the election of directors (Proposal No. 1) and the stockholder proposal regarding formation of an ad hoc Board committee to evaluate the impact of Company operations in certain areas (Proposal No. 3), or on any stockholder proposal without instructions from you, in which case a broker non-vote will occur and your shares will not be voted on these matters.



### How Many Votes Are Required to Approve Other Matters?

Unless otherwise required by law or the Company's Bylaws, the affirmative vote of a majority of the voting power represented at the Annual Meeting and entitled to vote will be required for other matters that may properly come before the meeting.

### Stockholders Sharing the Same Address

We are sending only one copy of the Annual Report and Proxy Statement to stockholders of record who share the same last name and address, unless they have notified the Company that they want to continue to receive multiple copies. This practice, known as "householding," is designed to reduce duplicate mailings and printings and postage costs. However, if any stockholder residing at such address wishes to receive a separate Annual Report or Proxy Statement in the future, he or she may contact Joyce J. Mason, Esq., Corporate Secretary, Genie Energy Ltd., 520 Broad Street, Newark, New Jersey 07102, or by phone at (973) 438-3500, and we will promptly forward to such stockholder a separate Annual Report or Proxy Statement. The contact information above may also be used by members of the same household currently receiving multiple copies of the 2015 Annual Report and Proxy Statement in order to request that only one set of materials be sent in the future.

### References to Fiscal Years

The Company's fiscal year ends on December 31 of each calendar year. Accordingly, a fiscal year is equivalent to the same calendar year (for example, Fiscal 2015 refers to the twelve month period ended December 31, 2015).

## CORPORATE GOVERNANCE

### Introduction

The Company has in place a comprehensive corporate governance framework that reflects the corporate governance requirements of the Sarbanes-Oxley Act of 2002, the rules and regulations promulgated under the Securities Exchange Act of 1934, as amended, and the corporate governance-related listing requirements of the New York Stock Exchange. Consistent with the Company's commitment to strong corporate governance, the Company does not rely on the exceptions from the New York Stock Exchange's corporate governance listing requirements available to it because it is a "controlled company," except as described below with regard to (i) the composition of the Nominating Committee and (ii) the Company not having a single Nominating/Corporate Governance Committee.

In accordance with Sections 303A.09 and 303A.10 of the New York Stock Exchange Listed Company Manual, the Company has adopted a set of Corporate Governance Guidelines and a Code of Business Conduct and Ethics, the full texts of which are available for your review in the Governance section of our website at <http://genie.com/governance.php> and which also are available in print to any stockholder upon written request to the Corporate Secretary.

The Company qualifies as a "controlled company" as defined in Section 303A of the New York Stock Exchange Listed Company Manual, because more than 50% of the voting power of the Company is controlled by one individual, Howard S. Jonas, who serves as Chairman of the Board of Directors and Chief Executive Officer. Notwithstanding that being a "controlled company" entitles the Company to exempt itself from the requirement that a majority of its directors be independent directors and that the Compensation Committee and Corporate Governance Committee be comprised entirely of independent directors, the Board of Directors has determined affirmatively that a majority of the members of the Board of Directors and the director nominees are independent in accordance with Section 303A.02 of the New York Stock Exchange Listed Company Manual and that the Compensation Committee and the Corporate Governance Committee are in fact comprised entirely of independent directors. As a "controlled company," the Company may, and has chosen to, exempt itself from the New York Stock Exchange requirement that it have a single Nominating/Corporate Governance Committee composed entirely of independent directors. As noted above, and discussed in greater detail below, the Board of Directors maintains a separate Corporate Governance Committee comprised entirely of independent directors, and a Nominating Committee comprised of the Chairman of the Board of Directors, a non-independent director and one independent director.

### Director Independence

The Corporate Governance Guidelines adopted by the Board of Directors provide that a majority of the members of the Board of Directors, and each member of the Audit, Compensation and Corporate Governance Committees, must meet the independence requirements set forth therein. The full text of the Corporate Governance Guidelines, including the independence requirements, is available for your review in the Governance section of our website at <http://genie.com/governance.php>. For a director to be considered independent, the Board of Directors must determine that a director meets the Independent Director Qualification Standards set forth in the Corporate Governance Guidelines, which comply with the New York Stock Exchange definitions of independent, and is free from any material relationship with the Company and its executive officers. The Board of Directors considers all relevant facts and circumstances known to it in making an independence determination, and not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation or significant financial interest. In addition to considering all relevant information available to it, the Board of Directors uses the following categorical Independent Director Qualification Standards in determining the "independence" of its directors:

1. During the past three years, the Company shall not have employed the director, or, except in a non-officer capacity, any of the director's immediate family members;

2. During the past three years, the director shall not have received, and shall not have an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
3. (a) The director shall not be a current partner or employee of a firm that is the Company's internal or external auditor, (b) the director shall not have an immediate family member who is a current partner

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of such firm, (c) the director shall not have an immediate family member who is a current employee of such firm and personally works on the Company's audit, and (d) neither the director nor any of his or her immediate family members shall have been, within the last three years, a partner or employee of such firm and personally worked on the Company's audit within that time;

4. Neither the director, nor any of his or her immediate family members, shall be, or shall have been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation (or equivalent) committee; and

5. The director shall not be a current employee and shall not have an immediate family member who is a current executive officer of a company (excluding tax exempt organizations) that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three Fiscal Years, exceeds the greater of (a) \$1 million or (b) two percent of the consolidated gross revenues of such other company. The Corporate Governance Committee will review the materiality of such relationship to tax exempt organizations to determine if such director qualifies as independent.

Based on the review and recommendation of the Corporate Governance Committee, the Board of Directors has determined that each of W. Wesley Perry, Alan Rosenthal and Allan Sass is independent in accordance with the Corporate Governance Guidelines and, thus, that a majority of the director nominees, and each member or nominee intended to become a member of the Audit, Compensation and Corporate Governance Committees is independent.

The Corporate Governance Committee considered the following relationships between the Company and W. Wesley Perry in determining Mr. Perry's independence: In April 2008, W. Wesley Perry sold a portion of his interest in EGL Oil Shale LLC to IDT Corporation for a cash payment of \$632,400. Mr. Perry joined the board of directors of the Company's subsidiary, Genie Energy International Corporation, at its inception in September 2009 and purchased a 0.2% interest in Genie Energy International Corporation, for \$400,000 in April 2010. Mr. Perry was not a director or otherwise a "Related Person" of the Company at the time of these transactions. Mr. Perry became a member of IDT Corporation's Board of Directors on September 13, 2010, resigned from IDT Corporation's Board of Directors in conjunction with the spin-off of the Company from IDT Corporation in October 2011 (the "spin-off") and became a member of the Company's board at that time. The Corporate Governance Committee determined, after considering the timing, ownership and financial interest of the transactions, that the foregoing relationships were not material relationships with the Company and would not impact Mr. Perry's independence. The Corporate Governance Committee (with Mr. Perry abstaining), therefore, recommended that the Board of Directors determine that Mr. Perry be deemed independent in accordance with the Corporate Governance Guidelines. The Board of Directors (with Mr. Perry abstaining) accepted the Corporate Governance Committee's recommendation.

As used herein, the term "non-employee director" shall mean any director who is not an employee of, or consultant to, the Company, and who is deemed to be independent by the Board of Directors. Therefore, neither Howard Jonas nor James Courter is a non-employee director. None of the other non-employee directors or director nominees had any relationships with the Company that the Corporate Governance Committee was required to consider when reviewing independence.

#### Director Selection Process

The Nominating Committee will consider director candidates recommended by the Company's stockholders. Stockholders may recommend director candidates by contacting the Chairman of the Board as provided under the heading "Director Communications." The Nominating Committee considers candidates suggested by its members, other directors, senior management and stockholders in anticipation of upcoming elections and actual or expected board vacancies. All candidates, including those recommended by stockholders, are evaluated on the same basis in light of the entirety of their credentials and the needs of the Board of Directors and the Company. Of particular importance is the candidate's wisdom, integrity, ability to make independent analytical inquiries, understanding of the business

environment in which the Company operates, as well as his or her potential contribution to the diversity of the Board of Directors and his or her willingness to devote adequate time to fulfill duties as a director. Under “Proposal No. 1 — Election of Directors” below, we provide an overview of each nominee’s experience, qualifications, attributes and skills that led the Nominating Committee and the Board of Directors to determine that each nominee should serve as a Director.

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## Director Communications

Stockholders and other interested persons seeking to communicate directly with the Board of Directors, with the lead independent director (currently Mr. Perry) or the independent directors as a group, should submit their written comments c/o Lead Independent Director at our principal executive offices, Genie Energy Ltd., 520 Broad Street, Newark, New Jersey 07102. The lead independent director will review any such communication at the next regularly scheduled Board meeting unless, in his or her judgment, earlier communication to the Board is warranted. If a stockholder communication raises concerns about the ethical conduct of the Company or its management, it should be sent directly to our Corporate Secretary, Joyce J. Mason, Esq., at our principal executive offices, Genie Energy Ltd., 520 Broad Street, Newark, New Jersey 07102. The Corporate Secretary will promptly forward a copy of any such communication to the Chairman of the Audit Committee and, if appropriate, our Chairman of the Board, and take such actions as they deem necessary to ensure that the subject matter is addressed by the appropriate committee of the Board of Directors, by management and/or by the full Board of Directors.

The Corporate Secretary may filter out and disregard or re-direct (without providing a copy to the directors or advising them of the communication), or may otherwise handle at his or her discretion, any director communication that falls into any of the following categories:

- Obscene materials;
- Unsolicited marketing or advertising material or mass mailings;
- Unsolicited newsletters, newspapers, magazines, books and publications;
- Surveys and questionnaires;
- Resumes and other forms of job inquiries;
- Requests for business contacts or referrals;
- Material that is threatening or illegal; or
- Any communications or materials that are not in writing.

In addition, the Corporate Secretary may handle in her discretion any director communication that can be described as an “ordinary business matter.” Such matters include the following:

- Routine questions, service and product complaints and comments that can be appropriately addressed by management; and
- Routine invoices, bills, account statements and related communications that can be appropriately addressed by management.

## BOARD OF DIRECTORS AND COMMITTEES

### Board of Directors

The Board of Directors held seven (7) meetings in Fiscal 2015. In Fiscal 2015, each of the Company's directors attended or participated in 75% or more of the aggregate of (i) the total number of regularly scheduled meetings of the Board of Directors held during the period in which each such director served as a director and (ii) the total number of regularly scheduled meetings held by all committees of the Board of Directors during the period in which each such director served on such committees.

Directors are encouraged to attend the Company's annual meetings of stockholders, and the Company generally schedules a meeting of the Board of Directors on the same date and at the same place as the annual meeting of stockholders to encourage director attendance. All of the members constituting the Board of Directors at the time of the annual meeting of stockholders for Fiscal 2014 attended the 2015 annual meeting of stockholders.

### Board of Directors Leadership Structure and Risk Oversight Role

Since January 2014, Howard Jonas has filled the position of Chief Executive Officer, in addition to his role as Chairman of the Board. The Board of Directors' decision was based on Howard Jonas' leadership skills and his knowledge of the Company's businesses since its inception. As Chairman of the Board, Howard Jonas provides overall leadership to the Board of Directors in its oversight function while, as Chief Executive Officer, he provides leadership in respect to the day-to-day management and operation of the Company's businesses. Howard Jonas' service as both Chairman of the Board and Chief Executive Officer creates a critical link between management and the Board of Directors. The risk management oversight roles of the Audit, Compensation and Corporate Governance Committees discussed below, which are comprised solely of independent directors, provide an appropriate and effective balance to the combined Chairman of the Board and Chief Executive Officer role.

The Board of Directors as a whole, and through its committees, has responsibility for the oversight of risk management, including the review of the policies with respect to risk management and risk assessment. The risk management oversight roles of the Audit, Compensation and Corporate Governance Committees discussed below, which are comprised solely of independent directors, provide an appropriate and effective balance to the Chairman of the Board's role. With the oversight of the full Board of Directors, the Company's senior management is responsible for the day-to-day management of the material risks the Company faces. The Board of Directors is required to satisfy itself that the risk management process implemented by management is adequate and functioning as designed.

Section 303A.03 of the New York Stock Exchange Listed Company Manual requires that the non-employee directors of the Company meet without management at regularly scheduled executive sessions. These executive sessions are held at every regularly scheduled meeting of the Board of Directors. W. Wesley Perry, an independent director and the "Lead Independent Director," serves as the presiding director of these executive sessions and has served in that capacity since October 24, 2011. The Board of Directors determined that the role of Lead Independent Director was important to maintain a well-functioning Board of Directors that objectively assesses management's proposals.

The Board of Directors and each of its committees will conduct annual self-assessments to review and monitor their respective continued effectiveness.

As stated above, each of the Audit, Compensation and Corporate Governance Committees oversees certain aspects of risk management and reports its respective findings to the full Board of Directors on a quarterly basis, and as is otherwise needed. The Audit Committee is responsible for overseeing risk management of financial matters, financial reporting, the adequacy of the risk-related internal controls, internal investigations, and security risks, generally. The Compensation Committee oversees risks related to compensation policies and practices. The Corporate Governance Committee oversees our Corporate Governance Guidelines and governance-related risks, such as board independence,

as well as senior management and director succession planning.

#### Board Committees

The Board of Directors established an Audit Committee, a Compensation Committee, a Corporate Governance Committee, a Nominating Committee and a Technology Committee.

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#### Audit Committee

The Audit Committee consists of W. Wesley Perry (Chairman), Alan Rosenthal and Allan Sass, and is responsible for, among other things, the appointment, compensation, removal and oversight of the work of the Company's independent registered public accounting firm. The Audit Committee also oversees management's performance of its responsibility for the integrity of the Company's accounting and financial reporting and its systems of internal controls, the performance of the Company's internal audit function and the Company's compliance with legal and regulatory requirements. The Audit Committee operates under a written Audit Committee charter adopted by the Board of Directors, which can be found in the Governance section of our web site, <http://genie.com/governance.php>, and is also available in print to any stockholder upon request to the Corporate Secretary. The Audit Committee held four (4) meetings during Fiscal 2015. The Board of Directors, upon recommendation of the Corporate Governance Committee, has determined that (i) all of the members of the Audit Committee are independent within the meaning of the Section 303A.07(b) and Section 303A.02 of the New York Stock Exchange Listed Company Manual and Rule 10A-3(b) under the Securities Exchange Act of 1934, and (ii) that Mr. Perry qualifies as an "audit committee financial expert" within the meaning of Item 407(d)(5) of Regulation S-K.

#### Compensation Committee

The Compensation Committee is responsible for, among other things, reviewing, evaluating and approving all compensation arrangements for the executive officers of the Company, evaluating the performance of executive officers, administering the Company's 2011 Stock Option and Incentive Plan, and recommending to the Board of Directors the compensation for Board members, such as retainers, committee and other fees, stock option, restricted stock and other stock awards, and other similar compensation as deemed appropriate. The Compensation Committee confers with the Company's executive officers when making the above determinations. The Compensation Committee currently consists of Messrs. Rosenthal (Chairman) and Perry. The Compensation Committee held eight (8) meetings during Fiscal 2015. The Compensation Committee operates under a written charter adopted by the Board of Directors, which can be found in the Governance section of our web site, <http://genie.com/governance.php>, and which is also available in print to any stockholder upon request to the Corporate Secretary. The Board of Directors, upon recommendation of the Corporate Governance Committee, has determined that both of the members of the Compensation Committee are independent within the meaning of Section 303A.02 of the New York Stock Exchange Listed Company Manual and the categorical standards set forth above.

#### Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee has served as an officer or employee of the Company or has any relationship with the Company that is required to be disclosed under the heading "Related Person Transactions." No executive officer of the Company served or serves on the compensation committee (or other board committee performing equivalent functions) of any company that employed or employs as an executive officer any member of the Company's Compensation Committee.

#### Corporate Governance Committee

The Corporate Governance Committee is responsible for, among other things, reviewing and reporting to the Board of Directors on matters involving relationships among the Board of Directors, the stockholders and senior management. The Corporate Governance Committee (i) reviews the Corporate Governance Guidelines and other policies and governing documents of the Company and recommends revisions as appropriate, (ii) reviews any potential conflicts of interests of independent directors, (iii) reviews and monitors related person transactions, (iv) oversees the self-evaluations of the Board of Directors, the Audit Committee and the Compensation Committee and (v) reviews and determines director independence, and makes recommendations to the Board of Directors regarding director independence. The Corporate Governance Committee currently consists of Messrs. Rosenthal (Chairman), Perry and Sass. The Corporate Governance Committee held seven (7) meetings in Fiscal 2015. The Corporate Governance

Committee operates under a written charter adopted by the Board of Directors, which can be found in the Governance section of our web site, <http://genie.com/governance.php>, and which is also available in print to any stockholder upon request to the Corporate Secretary. The Board of Directors, upon recommendation of the Corporate Governance Committee, has determined that all of the members of the Corporate Governance Committee are independent within the meaning of Section 303A.02 of the New York Stock Exchange Listed Company Manual and the categorical standards set forth above.

### Nominating Committee

The Nominating Committee is responsible for overseeing nominations to the Board of Directors, including: (i) developing the criteria and qualifications for membership on the Board of Directors, (ii) recommending candidates to fill new or vacant positions on the Board of Directors, and (iii) conducting appropriate inquiries into the backgrounds of potential candidates. A summary of new director qualifications can be found under the heading “Director Selection Process.” The Nominating Committee currently consists of Howard S. Jonas (Chairman), James A. Courter and W. Wesley Perry. W. Wesley Perry is independent in accordance with Section 303A.02 of the New York Stock Exchange Listed Company Manual. Mr. Jonas and Mr. Courter do not meet the requirements to be deemed independent. The Company, as a “controlled company,” is exempt from the requirement to maintain an independent nominating committee pursuant to Section 303A.00 of the New York Stock Exchange Listed Company Manual. The Nominating Committee operates under a written charter adopted by the Board of Directors, which can be found in the Governance section of our web site, <http://genie.com/governance.php>, and which is also available in print to any stockholder upon request to the Corporate Secretary. The Nominating Committee held one (1) meeting during Fiscal 2015.

### Technology Committee

The Technology Committee is responsible for examining and providing oversight over management’s direction of and investment in the Company’s research and development and technology initiatives. This includes evaluating the quality and direction of the Company’s research and development programs, identifying emerging issues and evaluating the level of review by external experts based on the committee members’ experience and other resources available to the Committee. The Committee also reviews the Company’s approaches to acquiring and maintaining technology, and evaluates the technology that the Company is researching and developing. The Technology Committee currently consists of Messrs. Sass (Chairman) and Perry. The Technology Committee holds informal proceedings and discussions with management from time to time and provides input to the relevant company personnel on an as needed basis. The Technology Committee operates under a written charter adopted by the Board of Directors, which can be found in the Governance section of our web site, <http://genie.com/governance.php>, and which is also available in print to any stockholder upon request to the Corporate Secretary.

## 2015 COMPENSATION FOR NON-EMPLOYEE DIRECTORS

Annual compensation for non-employee directors for Fiscal 2015 was comprised of equity compensation, consisting of awards of restricted Class B Common Stock, and cash compensation. Each of these components is described in more detail below.

## Director Equity Grants

Pursuant to the Company's 2011 Stock Option and Incentive Plan, each non-employee director of the Company who is deemed to be independent will receive, on each January 5th (or the next business day thereafter), an annual grant of 2,920 restricted shares of our Class B Common Stock, which will vest immediately upon grant. A new director who becomes a member of the Board of Directors during the course of the calendar year receives an automatic grant on the date that he or she becomes a director in the amounts specified above, pro-rated based on the calendar quarter of the year in which such person becomes a director. The stock is granted on a going forward basis, before the director completes his or her service for the calendar year. All such grants of stock to directors are subject to certain terms and conditions described in the Company's 2011 Stock Option and Incentive Plan, as may be amended and restated from time to time.

## Director Board Retainers

Each non-employee director of the Company who is deemed to be independent and who attends at least 75% of the regularly scheduled meetings of the Board of Directors and committees of which he or she is a member during a calendar year will receive an annual cash retainer of \$50,000. Such payment will be made in January of the calendar year following attendance of at least 75% of the regularly scheduled Board of Directors and committee meetings during the preceding year, and is pro-rated, based on the quarter in which the director joins, for non-employee directors who join the Board of Directors or depart from the Board of Directors during the prior year, if such director attended 75% of the applicable Board of Directors and committee meetings for the period when he or she was a director. Since 2015, each independent director has the option to receive up to 40% (\$20,000) of this compensation in the form of fully-vested shares of Class B Common Stock, the value of which shall be based on the average of the high and low price on the trading date prior to the grant. The Company's Chairman may, in his discretion, waive the requirement of 75% attendance by a director to receive the annual retainer in the case of mitigating circumstances. There is no additional compensation for serving on a committee as a committee chair, for the Lead Independent Director or for the Audit Committee Financial Expert.

## 2015 Director Compensation Table

The following table lists the Fiscal 2015 compensation for each person who served as a non-employee director during Fiscal 2015. This table does not include compensation to Howard S. Jonas, who serves as a director and is a named executive officer, as he did not receive compensation for his service as a director during Fiscal 2015. Mr. Jonas' compensation is set forth in the Executive Compensation section of this Proxy Statement. Mr. Courter, who is a director of the Company and serves as a paid consultant to the Company, did not receive any compensation for his service as a director.

Name	Dates of Board Service During Fiscal 2015	Fees Earned or Paid in Cash (\$) <sup>(1)</sup>	Fees Earned or Paid in Stock <sup>(2)</sup> (\$)	Stock Awards (\$)	All Other Compensation (\$)	Total (\$)
W. Wesley Perry	01/01/2015 – 12/31/2015	\$ 30,000	\$ 20,000 <sup>(3)</sup>	\$ 18,016.40 <sup>(4)</sup>	\$ —	\$ 68,016.40
Alan Rosenthal	01/01/2015 – 12/31/2015	\$ 50,000	\$ —	\$ 18,016.40 <sup>(4)</sup>	\$ —	\$ 68,016.40

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	01/01/2015 –						
Allan Sass	12/31/2015	\$ 50,000	\$ —	\$ 18,016.40 <sup>(4)</sup>	\$ —		\$ 68,016.40
James A.	01/01/2015 –						
Courter	12/31/2015	\$ —	\$ —	\$ —	\$ 125,000 <sup>(5)</sup>		\$ 125,000

- 
- (1) Represents the annual cash portion of the Board of Directors retainer earned in Fiscal 2015.
- (2) Represents the annual stock portion of the Board of Directors retainer earned in Fiscal 2015.
- (3) Mr. Perry chose to receive 1,885 shares of Class B Common Stock at a price of \$10.61 per share in lieu of \$20,000 of the \$50,000 annual cash retainer.
- (4) Represents the grant date fair value of an award of 2,920 shares of the Company’s Class B Common Stock on January 5, 2015, computed in accordance with FASB ACS Topic 718R.
- (5) Reflects \$125,000 paid by the Company to Mr. Courter for consulting fees. Mr. Courter did not receive any compensation for his service as a director.

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Non-employee directors held the following shares of the Company's Class B Common Stock granted for director service, and options to purchase shares of Class B Common Stock of the Company, as of December 31, 2015:

Name	Class B Common Stock	Options to Purchase Class B Common Stock
W. Wesley Perry	12,410	—
Alan Rosenthal	12,410	—
Allan Sass	12,410	—

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## RELATED PERSON TRANSACTIONS

### Review of Related Person Transactions

On October 24, 2011, our Board of Directors adopted a Statement of Policy with respect to Related Person Transactions. This policy covers any transaction or series of transactions in which the Company or a subsidiary is a participant, the amount involved exceeds \$120,000 and a Related Person has a direct or indirect material interest, as well as transactions which, despite not meeting the quantitative criteria set forth above, are otherwise material to investors based on qualitative factors, as determined by the Corporate Governance Committee with input from the Company's management and advisors. Related Persons include directors, director nominees, executive officers, any beneficial holder of more than 5% of any class of the Company's voting securities, and any immediate family member of any of the foregoing persons. Transactions that fall within this definition are considered by the Corporate Governance Committee for approval, ratification or other action. Based on its consideration of all of the relevant facts and circumstances, the Corporate Governance Committee is tasked with determining whether or not to approve such transactions and will approve only those transactions that are in the best interests of the Company and its stockholders. If the Company becomes aware of an existing Related Person Transaction that has not been approved under this Policy, the matter will be referred to the Corporate Governance Committee. The Corporate Governance Committee will evaluate all options available, including ratification, revision or termination of such transaction.

### Transactions with Related Persons, Promoters and Certain Control Persons

All of the following Related Person Transactions were approved in accordance with the policy described above:

The Transition Services Agreement between Genie Energy Ltd. and IDT Corporation, dated October 28, 2011 (the "TSA"), pursuant to which IDT, which is controlled by Howard S. Jonas, our controlling stockholder, Chairman of the Board and Chief Executive Officer, continues to provide certain services, including, but not limited to, services relating to human resources, employee benefits administration, finance, accounting, tax, internal audit, facilities, investor relations and legal for an agreed period following the spin-off. Additionally, under the same agreement, Genie provided specified administrative services to certain of IDT's foreign subsidiaries. Furthermore, IDT granted us a license to use the IDT and IDT Energy names for our retail energy provider (REP) business. IDT charged Genie a total of \$2,300,000 for services provided by IDT pursuant to the TSA during Fiscal 2015. Genie charged IDT for certain payroll allocations in the amount of \$500,000 during Fiscal 2015.

On May 7, 2014, Michael Jonas, son of Howard Jonas and brother-in-law to Michael Stein, was appointed Executive Vice President and in August 2014 was appointed Director of Global Exploration and Business Development. During Fiscal 2015, Mr. Jonas' total compensation was \$125,064. Michael Jonas' current annual base salary is \$250,000. In February 2016, the Compensation Committee approved a \$15,000 bonus to Michael Jonas for his performance during Fiscal 2015. In addition, in December 2011, the Compensation Committee approved the following equity grants to Michael Jonas: 0.15% equity interest in Israel Energy Initiatives, Ltd., 0.25% equity interest in Genie Mongolia, Inc. and 0.2% equity interest in Afek Oil and Gas Ltd. On November 4, 2013, the Compensation Committee approved an additional grant to Michael Jonas of 1% in Genie Mongolia, Inc.

Michael Stein, son-in-law of Howard Jonas and brother-in-law to Michael Jonas, was appointed Senior Vice President of Operations of Genie on December 12, 2013. On May 7, 2014, Mr. Stein was appointed Executive Vice President and in April 2015, Mr. Stein was appointed Chief Executive Officer of Genie Retail Energy, Inc. During Fiscal 2015, Mr. Stein's annual base salary was \$250,000. Mr. Stein's current annual base salary is \$250,000. In February 2016, the Compensation Committee approved a \$207,446 cash bonus to Michael Stein for his performance during Fiscal 2015. In addition, in December 2013, the Compensation Committee approved a grant to Mr. Stein of 29,126 restricted shares of the Company's Class B Common Stock and, in May 2015, approved a grant to Mr. Stein of deferred stock units representing 5.8 shares of common stock of GRE (approximately 0.3% of the outstanding equity interests in GRE).





## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of the Company's Class A Common Stock, Class B Common Stock and Preferred Stock by (i) each person known by the Company to be the beneficial owner of more than 5% of the outstanding shares of the Class A Common Stock, the Class B Common Stock or the Preferred Stock of the Company, (ii) each of the Company's directors, director nominees, and the Named Executive Officers, and (iii) all directors, Named Executive Officers and executive officers of the Company as a group. Unless otherwise noted in the footnotes to the table, to the best of the Company's knowledge, the persons named in the table have sole voting and investing power with respect to all shares indicated as being beneficially owned by them.

Unless otherwise noted, the security ownership information provided below is given as of March 25, 2016, and all shares are owned directly. Percentage ownership information is based on the following amount of outstanding shares: 1,574,326 shares of Class A Common Stock, 23,058,559 shares of Class B Common Stock and 2,322,699 shares of Preferred Stock. The numbers reported for Howard S. Jonas assume the conversion of all 1,574,326 currently outstanding shares of Class A Common Stock into Class B Common Stock.

Name	Number of Shares of Class B Common Stock	Percentage of Ownership of Class B Common Stock	Number of Shares of Preferred Stock	Percentage of Ownership of Preferred Stock	Percentage of Aggregate Voting Power
Howard S. Jonas 520 Broad Street Newark, NJ 07102	6,915,034 (1)	23.2 %	—	—	72.4 %
Ilex Partners, LLC 650 Madison Ave., 17th Floor New York, NY 10022	1,161,869 (2)	5.0 %	—	*	*
Geoffrey Rochwarger	107,452 (3)	*	15,453	*	*
Avi Goldin	25,293 (4)	*	300 (5)	*	*
Michael Jonas	1,862 (6)	*	—	—	*
Michael Stein	31,682 (7)	*	—	—	*
James A. Courter	481,983	2.1 %	—	—	*
W. Wesley Perry	56,797 (8)	*	—	—	*
Alan Rosenthal	33,563 (9)	*	—	—	*
Allan Sass	15,330	*	6,000	*	*
All directors, Named Executive Officers and executive officers as a group (10 persons)	7,783,683 (10)	34 % <sup>(11)</sup>	21,753	*	74 %

\* Less than 1%.

d Voting power represents combined voting power of our Class A Common Stock (three votes per share) and our Class B Common Stock and Preferred Stock (one-tenth of one vote per share). Excludes stock options.

(1) Consists of an aggregate of 1,574,326 shares of the Company's Class A Common Stock and 5,340,708 shares of the Company's Class B Common Stock, consisting of (i) 299,416 shares of the Company's Class B Common Stock held by Mr. H. Jonas directly, (ii) an aggregate of 7,780 shares of the Company's Class B Common Stock beneficially owned by custodial accounts for the benefit of the children of Mr. H. Jonas (of which Mr. H. Jonas is the custodian), (iii) 900,000 shares of the Company's Class B Common Restricted Stock that are subject to forfeiture ("Restricted

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Stock”) held by Mr. H. Jonas directly, (iv) 3,233,512 shares of Class B Common Stock held by the Howard S. Jonas 2014 Annuity Trust, of which Howard Jonas is the trustee, and (iv) 900,000 shares of Restricted Stock held by the Howard S. Jonas 2014 Annuity Trust, of which Howard Jonas is the trustee. Does not include (a) an aggregate of 2,622,046 shares of the Company’s Class B Common Stock beneficially owned by trusts for the benefit of the children of Mr. H. Jonas, as Mr. H. Jonas does not exercise or share investment control of these shares, (b) 275,047 shares of Class B Common Stock owned by the Jonas Foundation, as Mr. H. Jonas does not beneficially own these shares, (c) 600,033 shares of the Company’s Class B Common Stock owned by the Howard S. & Deborah Jonas Foundation, as Mr. H. Jonas does not beneficially own these shares (Mr. H. Jonas is co-trustee, with his wife Deborah Jonas, of each of The Jonas Foundation and the Howard S. and Deborah Jonas Foundation), (d) 620,088 shares of the Company’s Class B Common Stock owned by the 2012 Jonas Family, LLC (Mr. H. Jonas is a minority equity holder of such entity), (e) 258 ordinary shares of IEI held by Mr. H. Jonas, (f) 277 ordinary shares of Afek and 69 restricted ordinary shares of Afek held by Mr. H. Jonas, (g) 174 shares of common stock of GMI and 116 restricted shares of common stock of GMI held by Mr. H. Jonas and (h) deferred stock units representing the right to receive 58 shares of common stock of the Company’s subsidiary, Genie Retail Energy, Inc., held by Mr. H. Jonas. Under the terms of the grant instruments, Mr. H. Jonas has the right, under certain circumstances, to convert vested shares of GRE, IEI, Afek and GMI into shares of the Company’s Class B Common Stock.

(2) According to a Schedule 13G filed with the Securities and Exchange Commission on August 24, 2015.

(3) Consists of (a) 66,993 shares of the Company’s Class B Common Stock held by Mr. Rochwarger directly and (b) options to purchase 40,459 shares of the Company’s Class B Common Stock, which are currently exercisable. Does not include (i) 129 restricted ordinary shares of IEI held by Mr. Rochwarger, and (ii) 138 ordinary shares of Afek and 207 restricted ordinary shares of Afek held by Mr. Rochwarger. Under the terms of the grant documents, Mr. Rochwarger has the right, under certain circumstances, to convert vested shares of IEI and Afek into shares of the Company’s Class B Common Stock.

(4) Consists of (a) 10,951 shares of the Company’s Class B Common Stock held by Mr. Goldin directly, (b) 1,900 shares of the Company’s Class B Common Stock held by Mr. Goldin in his Individual Retirement Account, (c) 400 shares of the Company’s Class B Common Stock held in Mr. Goldin’s wife’s 401(k) account and (d) options to purchase 12,042 shares of the Company’s Class B Common Stock, which are currently exercisable. Does not include (i) 103 ordinary shares of IEI held by Mr. Goldin, (ii) 92 ordinary shares of Afek and 23 restricted ordinary shares of Afek held by Mr. Goldin, and (iii) 70 shares of common stock of GMI and 46 restricted shares of common stock of GMI held by Mr. Goldin, and (iv) deferred stock units representing the right to receive 3.8 shares of common stock of the Company’s subsidiary, Genie Retail Energy, Inc., held by Mr. Goldin. Under the terms of the grant documents, Mr. Goldin has the right, under certain circumstances, to convert vested shares of GRE, IEI, Afek and GMI into shares of the Company’s Class B Common Stock.

(5) Consists of Preferred Stock held in Mr. Goldin’s wife’s 401(k) account.

(6) Consists of (a) 931 shares of the Company’s Class B Common Stock held by Mr. M. Jonas directly and (b) 931 shares held by Mr. M. Jonas’ wife. Does not include (i) 1,448 restricted shares of common stock of GMI held by Mr. M. Jonas, and (ii) 185 ordinary shares of Afek and 46 restricted ordinary shares of Afek held by Mr. M. Jonas. Under the terms of the grant documents, Mr. M. Jonas has the right, under certain circumstances, to convert vested shares of GMI and Afek into shares of the Company’s Class B Common Stock.

(7) Consists of (a) 9,709 shares of Restricted Stock, (b) 20,417 shares of the Company’s Class B Common Stock held by Mr. Stein directly, and (c) 1,556 shares of the Company’s Class B Common Stock held by Mr. Stein’s wife. Does not include deferred stock units representing the right to receive 5.8 shares of common stock of the Company’s subsidiary, Genie Retail Energy, Inc., held by Mr. Stein. Under the terms of the grant document, Mr. Stein has the right, under certain circumstances, to convert vested shares of GRE into shares of the Company’s Class B Common Stock.

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(8) Consists of (a) 33,333 shares of the Company's Class B Common Stock held by Mr. Perry's retirement plans and (b) 23,464 shares of Class B Common Stock held by Mr. Perry directly. In addition, Mr. Perry owns 2.5 shares (a 0.2% interest) of the Company's subsidiary, Genie Energy International Corporation.

(9) Consists of (a) 15,563 shares of the Company's Class B Common Stock held by Mr. Rosenthal directly, (b) 2,500 shares of the Company's Class B Common Stock held by Mr. Rosenthal in his Individual Retirement Account, (c) 12,500 shares of the Company's Class B Common Stock held in the Endodontic Associates Retirement Account and (d) 3,000 shares of the Company's Class B Common Stock held by Mr. Rosenthal in three accounts (1,000 shares each) for his three children.

(10) Consists of the shares and options set forth above with respect to the Named Executive Officers and directors (including Howard Jonas' shares of Class A Common Stock, which are convertible into shares of the Company's Class B Common Stock), and the following shares of Class B Common Stock held by other executive officers: (a) 95,423 shares of Class B Common Stock held directly, (b) 7,282 shares of Restricted Common Stock, and (c) options to purchase 11,982 shares of our Class B Common Stock, which are currently exercisable.

(11) Assumes conversion of all of the shares of the Company's Class A Common Stock into shares of the Company's Class B Common Stock.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under the securities laws of the United States, the Company's directors, executive officers, and any persons holding more than ten percent or more of a registered class of the Company's equity securities are required to file reports of ownership and changes in ownership, on a timely basis, with the SEC and the New York Stock Exchange. Based on material provided to the Company, the Company believes that all such required reports were filed on a timely basis in Fiscal 2015, except for a Form 4 was not filed on a timely basis on behalf of W. Wesley Perry, Alan Rosenthal and Allan Sass, the independent Directors of the Company (with respect to an award of 2,920 shares each of the Company's Class B Common stock on January 5, 2015).

## EXECUTIVE COMPENSATION

### COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the following Compensation Discussion and Analysis section of the Company's Proxy Statement related to its 2016 Annual Meeting of Stockholders. Based on our review and discussions, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in Genie's Proxy Statement.

Alan Rosenthal, Chairman  
W. Wesley Perry

Notwithstanding anything to the contrary set forth in any of the Company's previous filings under the Securities Act of 1933, as amended (the "Act"), or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that might incorporate future filings, including this Proxy Statement, in whole or in part, the foregoing report shall not be incorporated by reference into any such filings, nor shall it be deemed to be soliciting material or deemed filed with the Securities and Exchange Commission (the "SEC") under the Act or under the Exchange Act.

### COMPENSATION DISCUSSION AND ANALYSIS

The following discussion and analysis of our compensation practices and related compensation information should be read in conjunction with the Summary Compensation table and other tables included in this proxy statement, as well as our financial statements and management's discussion and analysis of financial condition and results of operations included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, which we refer to as the Form 10-K. The following discussion includes statements of judgment and forward-looking statements that involve risks and uncertainties. These forward-looking statements are based on our current expectations, estimates and projections about our industry, our business, compensation, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "continue," "ongoing," similar expressions, and variations or negatives of these words and include, but are not limited to, statements regarding projected performance and compensation. Actual results could differ significantly from those projected in the forward-looking statements as a result of certain factors, including, but not limited to, the risk factors discussed in the Form 10-K. We assume no obligation to update the forward-looking statements or such risk factors.

#### Introduction

It is the responsibility of the Compensation Committee of our Board of Directors to oversee our general compensation policies; to determine the base salary and bonus to be paid each year to each of our executive officers; to oversee our compensation policies and practices as they relate to our risk management; and to determine the compensation to be paid each year to our non-employee directors for service on our Board of Directors and the various committees of our Board. In addition, the Compensation Committee administers our 2011 Stock Option and Incentive Plan, as amended, with respect to stock option grants or other equity-based awards made to our executive officers. Further, from time to time, certain executives may receive grants of equity in certain of our subsidiaries. While such grants are also considered by the Boards of Directors of those subsidiaries, the Compensation Committee must approve any grant to our executive officers. Shares of restricted stock are automatically granted to our non-employee directors under our 2011 Stock Option and Incentive Plan, as amended, on an annual basis.

#### Elements of Compensation

The three broad components of our executive officer compensation are base salary, annual cash bonus awards, and long term equity-based awards, which can be made in shares of our Class B Common Stock or in equity of certain of

our subsidiaries under equity plans or other arrangements. The Compensation Committee periodically reviews total compensation levels and the allocation of compensation among these three components for each of the executive officers in the context of our overall compensation policy. Additionally, the Compensation Committee, in conjunction with our Board of Directors, reviews the relationship of executive compensation to corporate performance generally and with respect to specific enumerated goals that are established by the Compensation Committee early in each fiscal year. The Compensation Committee believes that our current compensation structure is serving its intended

purpose and is functioning reasonably. Below is a description of the general policies and processes that govern the compensation paid to our executive officers, as reflected in the accompanying compensation tables.

## Company Performance

### 2015

In 2015, both GRE and Afek contributed to a strong year for the Company. The Company reported a net loss attributable to common stockholders of \$8.9 million, or \$0.40 per share, while investing significantly in growth at GRE and executing on Afek's oil and gas exploration program.

GRE increased net meters served by over 8% delivering net meter growth in the last three quarters of 2015, and increased the total residential customer equivalents (a standardized measurement of consumption commonly used on the industry and referred to as RCEs) represented by its customer base as well. Gross profit increased on very strong gross margins and GRE's income from operations was \$13.5 million, up from \$3.5 million in 2014.

Afek completed drilling on four wells and commenced drilling a fifth (completed in early 2016) and prepared for a flow test that was initiated in February 2016. The results prove the presence of hydrocarbons at several levels and in multiple wells. The flow test is an essential step in characterizing the resource and determining the nature of the resource and the practicality and cost of extraction.

After a regulatory setback, GOGAS' IEI oil shale project was put on hold. In an effort to focus resources on Afek's project, operations at Genie Mongolia were scaled back and have subsequently been suspended and GOGAS continued to decline to fund its share of capital contribution to the AMSO LLC joint venture with Total S.A.

The results achieved in 2015, and the Company's financial condition at the end of 2015, provided the necessary support for the Board's February 2016 decision to reinstate a quarterly dividend on the Company's common stock.

### 2014

In 2014, Genie's retail energy provider, or REP, businesses, operated under the Genie Retail Energy, or GRE, segment, faced significant competitive and other challenges. As disclosed in the 2014 10-K, extremely cold temperatures in the Northeastern United States during the first quarter of the year exacerbated by wholesale market conditions that were not able to meet the related demand for gas and electricity for heating resulted in extraordinary spikes in the cost of electricity and natural gas. The resulting price increases led to significant churn in the first two quarters of 2014, and downward pressure on GRE's revenues, margins and results of operations. At GOGAS, Genie did not fund its portions of AMSO LLC's capital calls and IEI's application for a license to build and operate a pilot plant was denied. Genie Mongolia continued its exploration activities and expanded the area in which it is licensed to operate. Afek was granted a drilling permit for a 10-well project, successfully defended a legal challenge at the Israeli High Court of Justice and prepared for drilling, which commenced in February 2015.

### 2013

In 2013, Genie delivered strong revenue growth on performance by IDT Energy and invested in the advancement of GOGAS' development projects. IDT Energy faced competitive and market pressure and constraints on its ability to grow by adding new territories to its operational footprint, yet delivered gross profit at 95% of its 2012 levels. IDT Energy met or exceeded its internal financial targets even as its customer base shrank due to the pressures set forth above. At GOGAS, Afek Oil & Gas, or Afek, secured an exploration license covering a large portion of the Golan Heights in Northern Israel, and began resource characterization and prepared for commencement of drilling operations. GMI entered into an exclusive oil shale development agreement with the Petroleum Authority of Mongolia covering 34,470 square kilometers in Central Mongolia. IEI made progress on its permitting application and AMSO



continued with key elements of its pilot test.

#### Compensation Structure, Philosophy and Process

Our executive compensation structure is designed to attract and retain qualified and motivated personnel and align their interests with the goals of the Company and with the best interests of our stockholders. Our compensation philosophy is to provide compensation to attract the individuals necessary for our current needs and growth initiatives, and provide them with the proper incentives to motivate those individuals to achieve our long-term plans.

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The annual base salary levels we pay to each of our Named Executive Officers is based on the responsibilities undertaken by the individuals, if applicable, the business unit managed and its complexity and role within the Company, and the market place for people of similar skill and background. The base salaries paid are determined through discussions with the covered individual and their manager as well as budgetary considerations, and are approved by the relevant members of our senior management and, in the case of executive officers, the Compensation Committee.

Incentive compensation is designed to reward contributions to achieving the Company's goals for the current period and for the longer term. Cash bonuses are awarded in the discretion of the Compensation Committee. Near the beginning of a fiscal year, the Compensation Committee establishes goals for the Company, for specific operating divisions and for individual executives. The goals are designed to set forth achievable goals for the current performance of the Company and its business units and for current contributions to long-term initiatives. While bonus amounts are not linked to specific targets, in evaluating performance and making bonus determinations, the Compensation Committee considers, among other factors, whether the Company met or exceeded the goals outlined, the individual's contribution toward achieving those goals, if relevant, the performance of the business unit over which the individual exercised management and other accomplishments during the year that were deemed relevant in specific instances. In some instances, cash bonuses or targets are set forth in written employment agreements that are described below. Following the end of a relevant period — usually the end of a fiscal year — our management sets company-wide bonus levels for the period then ended, based on Company performance and available resources, which are presented to the Compensation Committee. The bonus amounts awarded to specific individuals are the result of subjective determinations made by the relevant members of management and the Compensation Committee with respect to each subject individual, based on Company and individual performance, with consideration given to the performance factors set by the Compensation Committee for the relevant period, and levels relative to the bonuses of other personnel and officers. Individual bonus levels are not determined based on previously established formulae, targets or ranges.

Executive officers are eligible to receive cash bonuses of up to 100% of base salary (or higher upon extraordinary performance) based upon performance, including the specific financial and other goals set by the Compensation Committee, which goals are Company-wide, specific to a business unit or specific to an executive and his area of responsibility. Specific bonuses will depend on the individual achievements of executives and their contribution to achievement of the enumerated goals. These goals will be set by the Compensation Committee. As Mr. Howard Jonas receives most of his compensation in equity, his bonus levels are set with respect to bonuses of other executives and performance factors and not linked to his annual base salary levels.

Equity grants are made in order to provide additional incentive compensation and to align the interests of our executives with our stockholders. Executives have been granted equity interests in the Company and, with regard to individuals whose areas of responsibility focus on specific operations, in those operations, so as to better reward the executives for the results of their efforts. Equity grants in subsidiaries are made to align the incentive value with those operations where the individual can have the greatest impact, so as to maximize the incentive value of the grant. When equity grants in subsidiaries are made, the recipients are generally provided with the right to obtain liquidity in those grants through conversion to cash or equity in the Company (at the Company's option) upon vesting or a later date in the future.

#### Compensation Decisions Made in Covered Periods

2015

##### Goals for 2015

At a meeting held on March 10, 2015, the Compensation Committee approved the following goals for 2015. Consistent with its undertakings to match compensation with company and individual performance, goals have been

set for the company as well as for individual executive officers.

Company-Wide Goals

- Successfully drill 2-3 exploration wells on the exploration license for Northern Israel
- Optimize profitability and cash generation at Genie Retail Energy

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- Continue to grow GRE's customer base and expand into new geographic markets
- Increase market awareness of Genie and its goals and strategies

Howard Jonas, Chairman and Chief Executive Officer, GNE and Chief Executive Officer of Genie Israel

- Continue to guide the strategic direction for Genie Energy Ltd., GRE and GOGAS
- Guide the media and public relations strategy for the Company
- Develop relationships with new strategic partners or potential investors for both GRE and GOGAS
- Develop strategic relationships with noteworthy U.S. or international figures who influence policies in Genie jurisdictions and/or help attract capital
- Establish relationships with oil & gas players who can help attract capital and/or provide operational expertise for GOGAS projects
- Propose and work with senior management team to evaluate new complementary business opportunities or acquisitions for Genie business units

Geoffrey Rochwarger, Vice Chairman of Genie Energy Ltd., Chief Executive Officer of Genie Retail Energy

- Expand GRE's market footprint into new utility regions, geographies and sales channels that match GRE's business model and regulatory requirements
- Grow GRE customer/meter base while meeting criteria for profitability and payback
- Achieve Annual Adjusted EBITDA at or above budgeted target for GRE, assuming "normal" weather and market conditions
- Oversee and manage the Afek drilling project in conjunction with the CEO
- Provide leadership and management support for Genie Israel operations

Avi Goldin, Chief Financial Officer

- Manage Genie's global finance and accounting staff in the U.S., Israel and Mongolia
- Timely and accurate reporting of quarterly and annual results
- Attain clean financial and SOX audits for Fiscal 2015
- Improve financial oversight and control across the company
- Manage relationship with IDT Accounting, Internal Audit and Information Systems via the TSA
- Assist in improving the operational and financial performance of Genie Retail Energy
- Maintain a strong working relationship with external and internal auditors

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- Work with the CEO on business and corporate development efforts
- Assist in executing transactions with potential strategic and/or financial implications for the Company
- Lead the continued development of Genie's relationships with the financial community, including investors, bankers and research analysts
- Expand Genie's public investor relations activities
- Oversee integration of new acquisitions into internal control environment and corporate infrastructure

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Michael Jonas, Executive Vice President & Director of Global Exploration and Business Development

- Direct management responsibilities for the Genie Mongolia business unit
- Successfully execute planned exploration program for new prospecting area
- Lead the evaluation and execution of new business initiatives for Genie Oil and Gas
- Lead the effort to cultivate relationships with investors and potential partners for Genie Mongolia
- Work with the CEO to establish relationships with oil & gas players who can help attract capital and/or provide operational expertise for GOGAS projects

Michael Stein, Executive Vice President

- Direct management responsibilities for GRE's Epiq and Diversegy business units
- Work with the CEO to develop strategic relationships with noteworthy U.S. or international figures who influence policies in Genie jurisdictions and/or help attract capital
- Work with the CEO to establish relationships with oil & gas players who can help attract capital and/or provide operational expertise for GOGAS projects
- Work with the CFO on development of Genie's relationships with the financial community, including investors, bankers and research analysts
- Work with the CFO to expand Genie's investor relations activities

In April 2015, the Company announced changes in the roles of certain executive officers that made certain of the goals for specific executive officers no longer relevant to them. Where warranted, the goals outlined for an individual in a specific role that was modified were considered in respect of the individual who assumed that role. The Compensation Committee also considered the individual executive officers' contributions to the Company-wide goals as well as their contributions to the business unit for which they had responsibility and the success or failure of that business unit in 2015.

### Compensation Approach for 2015

Except as provided in written agreements, or where an individual assumed additional responsibility or delivered extraordinary performance, raises were restricted to employees earning under \$175,000 in annual base compensation or \$200,000 in annual total compensation, and raises were limited to three percent of annual base compensation. Bonuses at GRE were reflective of the gross margins and bottom line performance of that business during 2015. Bonuses for GOGAS' Israel-based employees were reduced to reflect the anticipated level of operations of those units. Company-wide, base compensation for 2016 was increased by 1.4% over 2015 levels.

### Employment Agreements Entered into in 2015

In connection with Mr. Goldin's assumption of additional duties, specifically taking on the role of principal financial officer at GRE and its subsidiary operations, the Company entered into an addendum to Mr. Goldin's employment agreement with the Company providing for an increase in Mr. Goldin's annual base compensation from \$275,000 to \$300,000, effective April 20, 2015, and making Mr. Goldin eligible for an additional performance-based bonus (in addition to the \$100,000 target bonus previously provided for in his employment agreement) for performance at GRE,

with a target of \$75,000. Such changes will be in effect through the term of his Agreement, which will expire on December 31, 2017. The addendum was entered into to reflect Mr. Goldin's expanded role and duties and ensured that the Company would continue to benefit from Mr. Goldin's services and the continuity of having the same person serving in those key roles.

In connection with the change in his role, on June 17, 2015, the Company and Mr. Rochwarger entered into an employment agreement. The agreement is described below and provides for an annual base salary of \$500,000 and target bonuses totalling \$250,000, as well as other possible compensation as described in the more detailed

description of such agreement elsewhere in this Proxy Statement. The agreement was entered into to document certain informal understandings and clarify Mr. Rochwarger's role and compensation in his new role.

#### Cash Bonuses Awarded in Respect of 2015

In connection with Company and individual performance and accomplishments, individual bonus levels were determined and paid in the first quarter of 2016.

Howard Jonas received a bonus of \$325,000, the same bonus level as was awarded to him for 2014. During 2015, Mr. Jonas provided active oversight and strategic guidance over all Company operations. He maintained relationships with strategic partners and engaged in discussions with existing and newly identified parties related to investments on certain of the Company's subsidiaries. Mr. Jonas was actively involved in directing and managing efforts at Afek during the crucial stages of that project. Mr. Jonas played a key role in advancing potential acquisitions for the Company as well as other growth initiatives and areas for development. Mr. Jonas served as Chairman and Chief Executive Officer of the Company for the full year.

Mr. Rochwarger was awarded a bonus of \$100,000, a reduction from the \$321,350 bonus awarded in respect of 2014. The reduction is due to the restructuring of Mr. Rochwarger's compensation and his new role, including the employment agreement entered into during 2015, and the assumption of the GRE CEO role by Mr. Stein in April 2015. During the first quarter of 2015, Mr. Rochwarger continued to directly manage GRE as well as performing an active role in management of Afek's drilling program. After the management restructuring, Mr. Rochwarger focused on Afek and certain duties to the Company and oversaw the drilling of all wells and other activities related to Afek's exploration program. Mr. Rochwarger managed internal resources and vendors in a complex operation that had not been accomplished previously by the Company. He was primarily responsible for the successful completion of four wells and the analysis of the results.

Mr. Goldin was awarded a bonus of \$207,234, an increase from the \$116,667 bonus awarded in 2014. His revised employment agreement provided for a target bonus of at least \$175,000. Mr. Goldin continued to manage the Company's internal finance functions and management of the accounting and finance staff at the Company's operations in the U.S., Israel and Mongolia. In April 2015, he assumed primary responsibility for financial oversight at GRE and its subsidiary operations in addition to his duties to the Company as a whole. Mr. Goldin continued the effort to improve the internal control environment at the Company, including engaging a dedicated internal audit team. Mr. Goldin again led the budgeting process during a year when there were dramatic shifts mid-year in the stages and rates of development at all Company operating units. In addition, Mr. Goldin was active in investment efforts at certain Company subsidiaries, business development activities and played a leading effort in investor relations in increasing the profile of the Company in the investment community.

Mr. Stein was awarded a bonus of \$207,446 in respect of 2015, an increase from \$25,000 awarded in respect of 2014. In April 2015, Mr. Stein assumed the role of Chief Executive Officer of GRE, and his bonus primarily reflects the strong performance of that business. Mr. Stein led efforts to turn around Diversegy and limit the negative financial impact of Epiq's operations. He was also instrumental in developing and implementing the initiatives that led to net meter growth in each of the second, third and fourth quarters of 2015 and in exploring ways to diversify GRE's business and sources of revenue.

Michael Jonas was awarded a bonus of \$15,000 in respect of 2015, a reduction from the \$50,000 he received in respect of 2014. During 2015, Michael Jonas led the curtailing of operations in Mongolia while assuming greater responsibility for aspects of Afek's management. The reduction was part of an overall program to cut bonuses related to Israeli operations related to the level of operations at the various projects on an ongoing basis. In addition to his operational duties, he also was involved in business development efforts in seeking complementary opportunities for the Company.



Base Salaries

Howard Jonas received the majority of his base salary for 2015 (as well as other periods) in the form of the right to purchase 3.6 million shares of the Company's Class B Common Stock, which was effected in July through August 2014, and was approved by the stockholders of the Company at the 2015 annual meeting. The purchase price for the 3.6 million shares of the Company's Class B Common Stock was \$6.82 per share, the fair market value at the time the agreement was approved by the Compensation Committee. The current arrangement lasts for six years

beginning in 2014. The purchased shares are subject to repurchase by the Company at the original purchase price if Mr. Jonas leaves the employ of the Company under certain conditions, which right lapses over the six-year term of the arrangement. Mr. Jonas receives a cash salary, currently \$35,000 per year, to facilitate his participation in certain employee benefit plans maintained by the Company.

Mr. Rochwarger's base salary for 2015 was \$500,000 in accordance with the employment agreement he entered into with the Company in 2015. His base salary for 2016 remains unchanged at \$500,000 in accordance with his employment agreement with the Company.

Mr. Goldin's base salary for 2015 was initially set at \$275,000, in accordance with his employment agreement with the Company, but was increased, effective April 20, 2015, to \$300,000 in accordance with his assumption of additional duties at GRE, as documented in an addendum to his employment agreement. His base salary for 2016 remains at \$300,000 in accordance with his employment agreement with the Company, as addended.

Mr. Stein's base salary for 2015 was initially set at \$175,000, but was increased to \$250,000 when he assumed the role of Chief Executive Officer of GRE on April 29, 2015, and remains at that level for 2016.

Michael Jonas' base salary for 2015 was \$250,000 and it remains at that level for 2016.

#### Incentive Equity Grants

In 2015, no awards of equity interests in the Company were made to any of our executive officers. Certain of our named executive officers were granted equity interests in GRE as part of a grant of equity interests in that entity for key personnel. Mr. Howard Jonas was granted 58 shares of Common Stock of GRE with a grant date value of \$2,449,915, Mr. Goldin was granted 5.8 shares of Common Stock of GRE with a grant date value of \$244,991, and Mr. Stein was granted 3.8 shares of Common Stock of GRE with a grant date value of \$160,512.

In addition, upon the vesting of certain deferred stock units in IDT Energy, Inc. awarded in prior periods, because there was no public market for the underlying shares at the time of vesting, the Company elected to pay the value of the vested awards in cash. At such time, Mr. Howard Jonas received \$865,828.39 and Mr. Rochwarger received \$72,079.58, each in respect of the value of the portion of the award that vested in 2015.

#### 2014

##### Goals for 2014

At a meeting held on March 10, 2014, the Compensation Committee approved the following goals for 2014. Consistent with its undertakings to match compensation with company and individual performance, goals have been set for the company as well as for individual executive officers.

##### Company-Wide Goals

- Successfully begin drilling operations on the exploration license for Northern Israel
- Optimize profitability and cash generation at IDTE
- Continue to grow IDTE's customer base and expand into new markets
- Increase market awareness of Genie and its goals and strategies
- Improve financial management and controls

Howard Jonas, Chief Executive Officer

- Continue to guide the strategic direction for Genie Energy Ltd., IDT Energy and GOGAS
- Develop relationships with new strategic investors or potential investors for both IDTE and GOGAS
- Develop strategic relationships with noteworthy U.S. or international figures who influence policies in Genie jurisdictions and/or help attract capital

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- Establish relationships with oil & gas players who can help attract capital and/or provide operational expertise for GOGAS projects
- Propose and work with senior management team to evaluate new complementary business opportunities or acquisitions for Genie business units
- Work with Vice Chairman and CFO on general corporate matters

Geoffrey Rochwarger, Vice Chairman of Genie Energy Ltd., Chief Executive Officer of IDT Energy and Chief Executive of Genie Energy Israel

- Expand IDT Energy's market footprint into new utility regions, geographies and sales channels that match IDTE's business model and regulatory requirements
- Grow IDTE customer/meter base assuming we can attain target profitability and payback
- Achieve Annual Adjusted EBITDA of \$25MM for IDTE, assuming "normal" weather and market conditions
- Lead the integration of the newly acquired Epiq and Diversegy business units
- Manage GOGAS projects in Israel in coordination with CEO and Chairman of Genie Israel
- Work with project teams to appropriately staff GOGAS team to execute projects
- Manage IEI's activities and budget through complex permitting process
- Work with CEO and CFO on relationships with investor and banking and research community

Avi Goldin, Chief Financial Officer

- Manage Genie's global finance and accounting staff in the U.S., Israel and Mongolia:
- Timely and accurate reporting of quarterly and annual results
- Attain clean financial and SOX audits for FY2014
- Improve financial oversight and control across the company
- Manage relationship with IDT Accounting, Internal Audit and Information Systems via the TSA
- Assist in the financial integration of the newly acquired Epiq and Diversegy operations
- Maintain a strong working relationship with external and internal auditors
- Work with the CEO in business development efforts for new markets/resources for GOGAS, providing corporate development support
- Assist in executing transactions with potential strategic and/or financial implications for the Company
- Lead the continued development of Genie's relationships with the financial community, including investors, bankers and research analysts

- Expand Genie's public investor relations activities

#### Compensation Approach for 2014

Except as provided in written agreements, or where an individual assumed additional responsibility or delivered extraordinary performance, raises were restricted to employees earning under \$150,000 in base compensation or \$175,000 in total compensation, and raises were limited to three percent of base compensation. Bonuses at GRE were reflective of the lower bottom line performance of that business during 2014.

Cash Bonuses Awarded in Respect of 2014.

In connection with such performance and accomplishments, individual bonus levels were determined and paid in the first quarter of 2015.

Howard Jonas received a bonus of \$325,000, \$25,000 more than the bonus awarded to him for 2013. During 2014, Mr. Jonas provided active oversight and strategic guidance over all Company operations. He maintained relationships with strategic partners and was instrumental in discussions related to investments on certain of the Company's subsidiaries. Mr. Jonas was actively involved in directing and managing efforts at the two GOGAS development projects in Israel and defending the legal and regulatory challenges they faced. Mr. Jonas was essential in identifying and vetting potential acquisitions for the Company as well as other growth initiatives and areas for development. Mr. Jonas served as Chairman and Chief Executive Officer of the Company for the full year.

Mr. Rochwarger was awarded a bonus of \$321,350, a reduction from the \$553,000 bonus awarded in respect of 2013. The reduction primarily reflects the reduced contribution of GRE to the Company's financial performance. During 2014, Mr. Rochwarger continued to directly manage GRE as well as performing an active role in management of GOGAS' two Israel-based projects. GRE faced significant challenges related to the Polar Vortex of the 2013-2014 winter and the business, regulatory and litigation developments arising from that event. Mr. Rochwarger provided guidance and management in facing those challenges and stabilizing that segment's operations and customer acquisition efforts, including the launch of operations in Illinois. He was also directly involved in the integration and exploitation of the Diversegy and Epiq operations that were acquired in December 2013. He was instrumental in Afek's obtaining of its permit for a drilling operation, the successful defence of the legal challenge at the Israeli High Court of Justice and the efforts that led to the commencement of drilling operations in February 2014.

Mr. Goldin was awarded a bonus of \$116,667 (as his employment agreement provided for a target bonus of at least \$100,000). Mr. Goldin continued to manage the Company's internal finance functions and management of the accounting and finance staff at the Company's operations in the U.S., Israel and Mongolia. Mr. Goldin led the successful remediation of the weaknesses in internal controls identified during the audit of the Company's 2013 financial statements. Mr. Goldin again led the budgeting process during a year when there were dramatic shifts mid-year in the stages and rates of development at all Company operating units as well as the impact of the downturn at GRE related to the impact of the Polar Vortex. In addition, Mr. Goldin was active in investment efforts at certain Company subsidiaries, business development activities and played a leading effort in investor relations in increasing the profile of the Company in the investment community. Mr. Goldin also led several internal compliance efforts.

Messrs. Michael Stein and Michael Jonas were not executive officers at the time that the Compensation Committee set goals for 2014. Accordingly, there were no specific goals set for their performance during that period.

Mr. Stein was awarded a bonus of \$25,000 in respect of 2014. Mr. Stein's responsibilities were significantly expanded during 2014, and he assumed roles at certain subsidiaries, in addition to corporate level duties. He was a lead party with respect to seeking investment capital for certain of GOGAS' development projects, led efforts with respect to cost control efforts across the Company and interfaced with outside vendors to support Company operations.

Michael Jonas was awarded a bonus of \$50,000 in respect of 2014. Mr. Jonas was the principal executive responsible for operations at Genie Mongolia where the Company was able to work with the local government, increase the area covered by its development rights and commence substantial exploratory operations. He also was involved in business development efforts in seeking complementary opportunities for the Company.

Base Salaries

Howard Jonas receives the majority of his base salary in the form of the right to purchase 3.6 million shares of the Company's Class B Common Stock, which was effected in July through August 2014 subject to stockholder approval.

That right replaced the grant of options to purchase shares of Class B Common Stock that was awarded in 2013 and which was to vest over five years. The purchase price for the 3.6 million shares of the Company's Class B Common Stock was \$6.82 per share, the fair market value at the time the agreement was approved by the Compensation Committee. The current arrangement lasts for six years beginning in 2014. The purchased shares are subject to repurchase by the Company at the original purchase price if Mr. Jonas leaves the employ of the Company

under certain conditions, which right lapses over the six-year term of the arrangement. Mr. Jonas receives a cash salary, currently \$35,000 per year, to facilitate his participation in certain employee benefit plans maintained by the Company.

Mr. Rochwarger's base salary for 2015 was set at \$528,650, unchanged from 2014, but was reduced in connection with a change in his role and his entry into an employment agreement with the Company during 2015.

Mr. Goldin's base salary for 2015 was set at \$275,000, in accordance with his employment agreement with the Company, and was modified when he entered into an addendum to that agreement.

Mr. Stein's base salary for 2015 was set at \$175,000, but was increased when he assumed the role of Chief Executive Officer of GRE.

Michael Jonas' base salary for 2015 was set at \$250,000.

#### Incentive Equity Grants

In 2014, certain of our named executive officers were granted restricted shares of Class B Common Stock of the Company and restricted shares of certain subsidiaries of the Company.

In connection with the amendment and extension of his employment agreement with the Company which is described below, subject to stockholder approval, Howard Jonas was granted the right to purchase 3.6 million shares of the Class B Common Stock at a purchase price of \$6.82 per share, the closing price of the Class B Common Stock on the trading day prior to the approval of the right by the Compensation Committee. The purchase, which was effected between July and August 2014, was in lieu of base salary (other than an amount to allow Mr. Jonas to participate in certain employee benefit programs maintained by the Company, not to exceed \$50,000 per annum) for the six-year term of the associated amended employment agreement, and the purchased shares are subject to repurchase by the Company at the original purchase price therefor if Mr. Jonas leaves the employ of the Company under certain conditions, which right lapses over the six-year term of the arrangement.

In addition, upon the vesting of deferred stock units in IDT Energy granted to Mr. Howard Jonas in 2012, in 2014, Mr. Jonas received 98,398 shares of the Company's Class B Common Stock, which equalled the value of the IDT Energy common stock issuable upon vesting of the deferred stock units.

In 2014, Mr. Rochwarger was granted restricted ordinary shares of Afek, representing 0.17% of the outstanding ordinary shares of Afek, in respect of his assumption of an expanded role in management of Afek's development project. The shares vest in five equal installments between 2014 and 2018.

In addition, upon the vesting of deferred stock units in IDT Energy granted to Mr. Rochwarger in 2012, in 2014, Mr. Rochwarger received 8,192 shares of Class B Common Stock, which equalled the value of the IDT Energy common stock issuable upon vesting of the deferred stock units.

In January 2014, Mr. Stein received a grant of 29,126 shares of Class B Common Stock in connection with his performance during 2013 and his assumption of additional responsibilities. The grant date value of the shares was \$298,833 based on the closing price of the Class B Common Stock on the trading day preceding the grant: 9,708 shares vested on January 5, 2015 and 9,709 shares will vest on each of January 5, 2016 and January 5, 2017.

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Goals for 2013



At a meeting held on March 11, 2013, the Compensation Committee approved the following goals for 2013. Consistent with its undertakings to match compensation with company and individual performance, goals were set for the Company as well as for individual executive officers.

Company-Wide Goals

- Obtain and begin operations on exploration license for Northern Israel
- Begin operating AMSO pilot test

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- Increase profitability and cash generation at IDT Energy
- Continue to grow IDT Energy's customer base and expand into new markets
- Complete technology separation from IDT
- Increase market awareness of Genie and its goals and strategies

Howard Jonas, Chairman of the Board

- Continue to guide the strategic direction for Genie Energy Ltd., IDT Energy and Genie Oil & Gas
- Develop relationships with new strategic investors or potential investors for both IDT Energy and Genie Oil & Gas
- Develop strategic relationships with noteworthy U.S. or international figures who influence policies in Genie jurisdictions and/or help attract capital
- Establish relationships with oil & gas players who can help attract capital and/or provide operational expertise for Genie Oil & Gas projects
- Propose and work with senior management team to evaluate new complementary business opportunities or acquisitions for Genie business units

Geoffrey Rochwarger, Vice Chairman of Genie Energy Ltd., Chief Executive Officer of IDT Energy and Chief Executive Officer of Genie Israel Holdings Ltd.

- Expand IDT Energy's market footprint into new utility regions and new geographies to those markets that match IDT Energy's business model requirements
- Grow IDT Energy customer/meter base assuming we can attain target profitability
- Achieve Annual Adjusted EBITDA of \$25MM for IDT Energy, assuming "normal" weather and market conditions
- Launch new business opportunities after thoroughly investigating
- Manage Genie Oil & Gas projects in Israel in coordination with Chief Executive Officer and Chairman of Genie Israel Holdings Ltd.
- Work with Chief Executive Officer and Israel project teams to appropriately staff Genie Oil & Gas technical team to execute projects
- Work with Chief Executive Officer to manage Israel Energy Initiatives' activities and budget through complex permitting process
- Achieve technology separation from IDT Corporation, in accordance with Board of Directors recommendation
- Work with Chief Executive Officer and Chief Financial Officer on relationships with investor and banking and research community

Avi Goldin, Chief Financial Officer

- Manage Genie's global finance and accounting staff in the U.S., Israel and Mongolia:
- Timely and accurate reporting of quarterly and annual results
- Attain clean financial and SOX audits for 2012 and 2013
- Improve financial oversight and control for Genie's non-U.S. operations

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- Manage relationship with IDT accounting, internal audit and information systems via the Transition Services Agreement
- Implement annual corporate budget and review process
- Maintain a strong working relationship with external and internal auditors
- Lead the continued development of Genie's relationships with the financial community, including investors, bankers and research analysts
- Work with IDT Energy management in the implementation of improved financial and operational reporting
- Work with the Chief Executive Officer in business development efforts for new markets/resources for Genie Oil & Gas, providing corporate development support
- Assist in executing transactions with potential strategic and/or financial implications for the Company
- Implement research and development allocation and licensing structure for Genie Oil and Gas

### Cash Bonuses Awarded in Respect of 2013

In connection with such performance and accomplishments, individual bonus levels were determined and paid in the first quarter of 2014.

Mr. Howard Jonas received a cash bonus of \$300,000, compared with \$294,000 awarded to Mr. Jonas for 2012. During 2013, Mr. Jonas provided active oversight and strategic guidance over all Company operations. He initiated discussions with several potential strategic partners for the Company, including industry leaders and well-known financial figures and institutions. Mr. Jonas was essential in identifying and vetting potential acquisitions for the Company as well as other growth initiatives and areas for development. Mr. Jonas assumed the Chief Executive Officer role effective January 1, 2014.

Mr. Rochwarger was awarded a cash bonus of \$553,000. Mr. Rochwarger continued to directly manage IDT Energy while taking on an active role in management of GOGAS' two Israel-based projects. Under his management, IDT Energy exceeded its targeted EBITDA by 18%, despite a challenging environment for expansion of IDT Energy's service area and customer base. Mr. Rochwarger was also actively involved in the acquisition of Diversegy, LLC and Epiq Energy, LLC which are intended to provide diversification of IDT Energy's revenue streams and additional customer acquisition channels. With Mr. Rochwarger's involvement, Afek received its exploration permit and made substantial strides in its initial activities in characterizing the resource in the license area.

Mr. Goldin was awarded a cash bonus of \$90,000. Mr. Goldin continued to establish and manage the Company's internal finance functions and management of the accounting and finance staff at the Company's operations in the U.S., Israel and Mongolia. Specifically, the oversight of non-U.S. operations was substantially increased during 2013. Mr. Goldin led the budgeting process during a year when there were dramatic shifts mid-year in the stages and rates of development at all Company operating units. In addition, Mr. Goldin was active in business development activities and investor relations in increasing the profile of the Company in the investment community.

### Base Salaries

Other than in circumstances of restructuring of compensation arrangements described below, the Company did not increase the base compensation of any employees with a base salary under \$200,000 for 2014.

As discussed elsewhere in this section, Mr. Howard Jonas received the majority of his base salary in the form of a grant of options to purchase Class B Common Stock that was awarded in 2013 and vests over five years. Beginning in 2014, Mr. Jonas receives a cash salary, currently \$35,000 per year, to facilitate his participation in certain employee benefit plans maintained by the Company.

Mr. Rochwarger's base salary for 2014 was \$528,650, unchanged from 2013.

Mr. Goldin's base salary for 2014 was \$250,000, unchanged from 2013.

## Incentive Equity Grants

In 2013, our named executive officers were granted restricted shares of Class B Common Stock of the Company, options to purchase Class B Common Stock of the Company and restricted shares of certain subsidiaries of the Company.

In connection with his agreement to assume the role of Chief Executive Officer of the Company (in addition to his existing role as Chairman of the Board of the Company), Mr. Jonas received a grant of options to purchase 3,000,000 shares of our Class B Common Stock at an exercise price of \$10.30 per share, the closing price of the Class B Common Stock on the trading day prior to the grant. The grant was in lieu of base salary (other than an amount to allow Mr. Jonas to participate in certain employee benefit programs maintained by the Company, not to exceed \$50,000 per annum) for the five-year term of the associated employment agreement.

In 2013, Mr. Rochwarger was granted 129 restricted ordinary shares of IEI, representing 0.125% of the outstanding ordinary shares of IEI, and 144 restricted ordinary shares of Afek, representing 0.125% of the outstanding ordinary shares of Afek, in respect of his assumption of an oversight role with respect to GOGAS' Israel-based projects. Mr. Rochwarger supplements the management teams of those entities and liaises between local and corporate management. In addition, upon the vesting of deferred stock units in IDT Energy granted to Mr. Rochwarger in 2012, in 2013, Mr. Rochwarger received 7,957 shares of Class B Common Stock, which equalled the value of the IDT Energy common stock issuable upon vesting of the deferred stock units.

In 2013, the Company extended the expiration period of outstanding options to purchase Class B Common Stock, that were issued upon the spin-off of the Company from IDT in respect of options to purchase IDT Class B Common Stock held by the recipients. Of the options extended, options to purchase 899 shares of Class B Common Stock are held by Mr. Rochwarger.

## Amended and Restated Employment Agreements

In connection with assuming the role of Chief Executive Officer of the Company (in addition to the Chairman position), the Company entered into an Amended and Restated Employment Agreement with Mr. Jonas. The restated agreement commenced as of January 1, 2014 and expires on December 31, 2019. The terms of the restated agreement are described elsewhere in this Proxy Statement.

## Goals for 2016

At a meeting held on March 3, 2016, the Compensation Committee approved the following goals for 2016. Consistent with its undertakings to match compensation with company and individual performance, goals have been set for the company as well as for individual executive officers.

### Company-Wide Goals

- Successfully conduct flow tests on the Afek exploration wells and analyze the results
- Optimize profitability and cash generation at GRE
- Continue to grow the customer base of the REPs owned by GRE and expand into new geographic markets and products
- Increase market awareness of Genie and its goals and strategies

Howard Jonas, Chairman and Chief Executive Officer, Genie Energy Ltd., and Chief Executive of Genie Israel

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- Continue to guide the strategic direction for Genie Energy Ltd., GRE and GOGAS
- Drive the media and public relations strategy for the company
- Propose and work with senior management team to evaluate new complementary business opportunities or acquisitions for Genie business units
- Develop strategic relationships with noteworthy U.S. or international figures who influence policies in Genie jurisdictions and/or help attract capital