

TIME WARNER INC.
Form 4
January 27, 2017

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
OLAFSSON OLAF

(Last) (First) (Middle)

ONE TIME WARNER CENTER

(Street)

NEW YORK, NY 10019-8016

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
TIME WARNER INC. [TWX]

3. Date of Earliest Transaction
(Month/Day/Year)

01/26/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)

Executive Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)

X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	(D)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units	(1)	01/26/2017	A	7,870 (2)					(3)	(3)	Common Stock, Par Value \$0.01	7,870
Performance Stock Units	(5)	01/26/2017	A	14,274 (6)					02/15/2017	02/15/2017	Common Stock, Par Value \$0.01	14,274

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
OLAFSSON OLAF ONE TIME WARNER CENTER NEW YORK, NY 10019-8016			Executive Vice President	

Signatures

By: Brenda C. Karickhoff for Olaf Olafsson 01/27/2017

Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each restricted stock unit represents the contingent right to receive one share of common stock.
- (2) These restricted stock units were awarded on February 15, 2016 and were subject to a performance condition, which the Compensation and Human Development Committee certified on January 26, 2017 had been satisfied.
- (3) These restricted stock units vest in four equal installments on the first four anniversaries of their date of grant, February 15, 2016. These restricted stock units include (i) restricted stock units that vest in two equal installments on the third and fourth anniversaries of the date of grant, February 15, 2013; (ii) restricted stock units that vest in four equal installments on the first four anniversaries of the following dates of grant: February 15, 2014, February 15, 2015 and February 15, 2016; (iii) restricted stock units that are scheduled to vest in four equal installments on each anniversary of February 15, 2017; and (iv) restricted stock units that are scheduled to vest in four equal installments on each anniversary of February 15, 2018.
- (5) Each performance stock unit represents a contingent right to receive one share of common stock.
- (6) On February 15, 2014, the Reporting Person was awarded 7,166 target performance stock units (as adjusted for the spin-off of Time Inc.) with a three-year performance period ending December 31, 2016. On January 26, 2017, the Compensation and Human Development Committee approved a payout of 199.2% of the target PSUs under the performance standards set in 2014, based on (i) the Issuer's cumulative Adjusted EPS achieved during the performance period, which resulted in an Adjusted EPS factor of 166%, and (ii) its total

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stockholder return for the performance period compared to other companies in the S&P 500, which resulted in a TSR modifier of 120%.
The PSU payout factor is determined by multiplying the Adjusted EPS factor and the TSR modifier.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. T: bold; FONT-SIZE: 10pt; FONT-FAMILY: arial">Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

It is with great pleasure that I report, Southside enjoyed a record year. The year 2008 was one for the history books, not only for financial institutions and the global economy, but also for Southside. Our results are the product of decisions made long ago as well as the execution of our traditional banking model. Community banks, like Southside, have always been important keys in our nation's economic growth. Our current strength gives us an opportunity to play an effective role. We look forward to aggressively aiding the future successes of the communities we serve.

Key Financial Highlights for 2008:

- Southside reported record net income . . . an increase in net income of \$14 million to \$30.7 million . . . an 84% increase;
- Earnings per diluted share increased 83.1%, or \$0.98 . . . \$2.16 in 2008 compared to \$1.18 in 2007;
 - Return on average shareholders' equity of 21.44% . . . an increase from 14.05% in 2007;
 - Cash dividends annualized, increased 26.12% . . . cash dividends uninterrupted since 1970;
 - Organically increased capital to \$160.6 million . . . a 21.4% increase;
 - Deposits, net of brokered deposits, increased \$118.6 million, or 8.5%; and
 - Solid loan growth . . . an increase of \$61.3 million, or 6.4%.

Many institutions found 2008 to be a year to question long-held beliefs and methodologies. The events of 2008, however, strengthened our confidence in our traditional banking model and balance sheet strategies. Rather than be victimized by the tremendous volatility and credit events, we found ourselves in a position to build long-term franchise value. We are fortunate to have marked this turbulent year by internally building our capital and strategically growing our balance sheet, as well as producing record net income. Our success in 2008 positions us to partner effectively in our market areas as we deal with current and future economic conditions.

In order to continue this process, your board of directors is asking that you approve two proposals included in this year's proxy. The first, the authority to authorize additional common stock, grants the board a degree of flexibility in this rapidly changing landscape. The second proposal, the incentive plan, will not only allow Southside the ability to attract and retain key employees but will also better align their interests with those of the shareholders. Providing your board these two valuable tools will greatly enhance our ability to continue to deliver favorable results to our shareholders. Creating superior returns for our shareholders will always be our principal objective. To that end, we are committed and well positioned.

During the year, we deliberately chose to grow our balance sheet, taking advantage of the attractive economics of financial intermediation. Asset growth consisted primarily of U.S. agency mortgage-backed securities, Texas Permanent School Fund guaranteed municipal securities and loan growth, funded by deposit growth and Federal Home Loan Bank advances. Our ability to add assets in 2008 is a result of our balance sheet discipline executed over a long-term horizon. Should the economics of asset accumulation decrease, we could allow the balance sheet to shrink through run-off or asset sales. However, should the economics become more attractive, we will strategically increase the balance sheet.

Our experienced management and resource teams are enormous assets. As challenges emerge and adjustments are needed, I have every confidence these teams will meet those challenges. We are well aware of the current precarious economic environment and are managing the bank with that in mind. With the level of continuity and depth of our management team, we at Southside are looking ahead with optimism in these demanding times.

Southside's investment in our franchise continues. During 2009 we plan to install a new core banking system. This significant investment should allow us to improve productivity, conduct business more efficiently and provide our customers an enhanced banking experience. Our branch expansion has been a story of investment, growth and positioning for future success. We attribute our growth and success to many things, not the least of which is the fact that we are fortunate to operate in Texas. During 2009, we plan to open a new full service branch in Gresham, Texas, replacing our current loan production office there.

We remain focused on the four cornerstones we consider critical to Southside's success – the communities we serve . . . our customers . . . our banking professionals . . . and you, our shareholders. This focus permeates everything we do, serving as the basis for our actions. The better we serve our customers and communities, the greater the potential long-term return for our shareholders. Thank you for the trust you have placed in Southside, and for your continued support, which has always been the integral part of our success.